THE U.S. VIRGIN ISLANDS

2013-14 PROGRAM YEAR ACTION PLAN

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SF 424 ANNUAL ACTION PLAN

2013-14 Program Year Action Plan

Date Submitted	Applicant Identifier	**Type of Submission**	
Date Received by state	State Identifier	**Application**	**Pre-application**
Date Received by HUD	Federal Identifier	☐ Construction	☐ Construction
		☒ Non Construction	☐ Non Construction

APPLICANT INFORMATION		
Territory of the U.S. Virgin Islands		
3202 No. 3 Demarara		176272615
Frenchtown Plaza, Suite #200		Territorial Government
St. Thomas	Virgin Islands	V.I. Housing Finance Authority
00802	USA	Federal Programs
Employer Identification Number (EIN):		N/A
66-0412508		
Applicant Type:		**Specify Other Type if necessary:**
Other		Insular Area (Territorial Government)

PROGRAM FUNDING		**U.S. Department of Housing and Urban Development**
Catalogue of Federal Domestic Assistance Numbers; Descriptive Title of Applicant Project(s); Areas Affected by Project(s) (cities, Counties, localities etc.); Estimated Funding		
Community Development Block Grant		14.218 Entitlement Grant Virgin Islands
CDBG Project Titles		Description of Areas Affected by CDBG Project(s) Territory-wide
$1,983,482.00	0	Describe
-0-		-0-
-0-		-0-
-0-		Other (Describe)
Total Funds Leveraged for CDBG-based Project(s)		
Home Investment Partnerships Program		14.239 HOME
HOME Project Titles		Description of Areas Affected by HOME Project(s) Territory-wide
$HOME Grant Amount $639,983.00	$Additional HUD Grant(s) Leveraged	Describe
$Additional Federal Funds Leveraged		$Additional State Funds Leveraged
$Locally Leveraged Funds -0-		$Grantee Funds Leveraged -0-
$Anticipated Program Income $110,000.00		Other (Describe)
Total Funds Leveraged for HOME-based Project(s)		
Housing Opportunities for People with AIDS		14.241 HOPWA
HOPWA Project Titles		Description of Areas Affected by HOPWA Project(s)
$HOPWA Grant Amount **N/A**	$Additional HUD Grant(s) Leveraged	Describe
$Additional Federal Funds Leveraged		$Additional State Funds Leveraged

$Locally Leveraged Funds		$Grantee Funds Leveraged
$Anticipated Program Income		Other (Describe)
Total Funds Leveraged for HOPWA-based Project(s)		
Emergency Solutions Grant Program		14.231 ESG
ESG Project Titles		Description of Areas Affected by ESG Project(s)
$ESG Grant Amount $116,079	$Additional HUD Grant(s) Leveraged	Describe
$Additional Federal Funds Leveraged		$Additional State Funds Leveraged
$Locally Leveraged Funds		$Grantee Funds Leveraged
$Anticipated Program Income		Other (Describe)
Total Funds Leveraged for ESG-based Project(s)		

Congressional Districts of:		Is application subject to review by state Executive Order 12372 Process?	
Applicant Districts	Project Districts		
Is the applicant delinquent on any federal debt? If "Yes" please include an additional document explaining the situation.		☐ Yes	This application was made available to the state EO 12372 process for review on DATE
		☑No	Program is not covered by EO 12372
☐ Yes	☑ No	☐ N/A	Program has not been selected by the state for review

Person to be contacted regarding this application		
Adrienne	L.	Williams
Executive Director, VIHFA	(340) 777-4432	(340) 775-7913
Signature of Authorized Representative		Date Signed

EXECUTIVE SUMMARY

In September 2010, the U.S. Department of Housing and Urban Development ("HUD") approved the Territory's second Consolidated Plan for housing, homelessness and community development for the period FY 2010-2014. The Consolidated Plan has as its objectives the identification of priority housing and community development needs based on input from citizen and other stakeholders in accordance with a Citizen Participation Plan and the determination of long-term strategies for addressing the identified needs. A Consolidated Plan is required in order for jurisdictions to receive funds under the following HUD programs: Community Development Block Grant, the Emergency Solutions Grant, and the HOME Investments Partnership Program.

In accordance with the implementing regulations at 24 CFR Part 91, the Territory is also required to develop an Annual Action Plan each year; the Action Plan describes the activities to be undertaken during the current program year that implement the strategies identified in the Consolidated Plan. Contained herein is the Virgin Islands Annual Action Plan for FY 2013 funding (PY 2013-14).

The PY 2013-14 Annual Action Plan describes the specific objectives to be attained during the program year and identifies outcome measures for the proposed activities. The Action Plan explains the allocation priorities and identifies the geographic areas within which activities under the three covered programs will take place. It also includes one-year goals for the number of households (to include homeless and special-needs households) to be provided affordable housing through various activities – i.e., rental housing assistance, production of new housing units, rehabilitation of existing units, or acquisition of existing units – using funds made available to the Territory. Finally, the Action Plan lists actions which will be taken during the program year to reduce the number of poverty-level families, to address obstacles to meeting underserved needs, to foster and maintain affordable housing, and to enhance coordination between public and private housing and social service agencies.

ANNUAL PLAN OBJECTIVES

The HUD objectives and performance measurement system were integrated into the objectives and measurements of the Five Year Consolidated Plan in order to provide an improved framework for monitoring progress. The following HUD-defined Overall Plan Objectives were selected to measure the impact of program activities:

OVERALL PLAN OBJECTIVES

- **Provide Accessibility for the Purpose of Creating Suitable Living Environments**
- **Provide Accessibility for the Purpose of Creating Economic Opportunities**
- **Provide Affordability for the Purpose of Providing Decent Affordable Housing**
- **Provide Sustainability for the Purpose of Providing Decent Affordable Housing**

The Specific Plan Objectives may be found below under the Summary of Specific Allocations.

HUD RESOURCES

The Plan describes the allocation of funds provided through the Community Development Block Grant (CDBG), the Emergency Solutions Grant (ESG), and the HOME Program. The three programs are administered by the Virgin Islands Housing Finance Authority.

CDBG funds may be used for a variety of housing and community development projects serving primarily low- to moderate-income households. Historically, the Virgin Islands has awarded its CDBG funds primarily to projects which provide after-school programs and to public and neighborhood facilities. The total amount of the FY 2013 grant is $1,983,482. All of the projects to be funded from this grant will principally benefit low- to moderate-income persons. The estimated percentage of CDBG funds that will be allocated to benefit low- and moderate-income persons is 100%.

The primary objective of the HOME Program is to expand the supply of safe, decent, sanitary, and affordable housing for very-low and low-income families. Eligible activities include homebuyer and rental assistance as well as homeowner rehabilitation assistance programs. Funds may be used for acquisition, rehabilitation and new construction of housing, and for tenant-based rental assistance. The FY 2013 allocation is $639,983. An additional $90,000 is anticipated from program income.

ESG program funds may be used to support and improve the quality of existing homeless shelters, to provide essential social services to homeless persons, and to meet the cost of operating shelters and transitional housing to prevent homelessness. The Virgin Islands will be using this grant for homelessness prevention assistance; maintenance and operation of emergency shelters and soup kitchens; and essential services, outreach and counseling for persons that are homeless. The FY 2013 allocation is $116,079. No program income is anticipated.

SUMMARY OF SPECIFIC ALLOCATIONS TO MEET OBJECTIVES OF THE PLAN

The Consolidated Plan identifies 9 strategies and objectives to be attained during the 5-year period. The 2013-14 Action Plan seeks to address 7 of them. Table E illustrates the relationship between the Action Plan and the Consolidated Plan.

Activities will take place across all three islands in the Territory. The vast majority of funds will be targeted programmatically. Public services funds will assist many in broad geographical areas whereas the homeless assistance will be directed at supporting specific programs primarily in St. Thomas and St. Croix. Due to the nature of activities created under the HOME Program, funds will be benefit very-low and low-income persons in many areas across all islands; and projects will be funded on a first-come, first-served basis. In order to maximize housing choice and promote mixed income communities, no priorities have been established requiring the distribution of program funds on a geographic basis. All projects will serve areas/populations with high concentrations of minorities.

HUD funds will be distributed in a manner that will assure activities provide benefits and opportunities for low- and moderate-income persons on all three islands. In the 2013-14 program year, CDBG and ESG funds are being allocated based on the priority needs and objectives originally determined through the Consolidated Planning process, rather than targeting funds to specific neighborhoods. Community organizations were invited to submit proposals meeting those needs and objectives, and projects with the most potential for meeting those needs were selected for allocation. Among the proposals received, it was evident that youth and family services programs, public and neighborhood facilities, and homeless assistance programs received the greatest emphasis. The 2013 HOME funds are allocated to activities that provide home ownership assistance and home rehabilitation assistance across the Territory. Higher priority is given to home ownership assistance based on the needs identified in the Consolidated Plan. The investment of funds in homeownership helps to improve the economic self-sufficiency of those households that are assisted. Further, helping families move upward along the continuum from rental to home ownership is consistent with the Territory's strategy for the elimination of homelessness. Finally, investment in both homeownership and rehabilitation assistance improves the long-term stability of neighborhoods.

The 2013-14 Action Plan calls for the funding of fourteen (14) projects under the Community Development Block Grant, four (4) projects under the Emergency Solutions Grant Program, two broad activities under the HOME Program, as well as program administration for the each respective grant programs.

One hundred percent (100%) of the projects selected for CDBG funding will benefit low-mod income persons. All projects selected for funding under the HOME Program will benefit low-income households (i.e., households with income at or below 80% of the area median income, as adjusted).

The activities listed below were selected for implementation in the current Action Plan. The properties/activities are listed according to HUD Overall Outcomes/Objectives Categories. The listing also cross-references each project/activity to the specific Consolidated Plan Objective number and indicates the amount allocate by HUD fund sources.

Provide Affordability for the Purpose of Providing Decent Affordable Housing

Con Plan Objective #1. Preserve and expand the stock of affordable rental housing for low and moderate income persons including homeless and other special needs population.

No projects this funding cycle.

Con Plan Objective #2. Expand home ownership opportunities for low and moderate income households and promote sustainable neighborhoods through production of new and/or improved housing and home buyer programs in support of mixed income/mixed use neighborhoods.

Territory-wide

Down payment Assistance/Mortgage Buydown/Closing Cost Assistance (HOME) $543,988

Provide Sustainability for the Purpose of Providing Decent Affordable Housing

Con Plan Objective #2. Expand home ownership opportunities for low and moderate income households and promote sustainable neighborhoods through production of new and/or improved housing and home buyer programs in support of mixed income/mixed use neighborhoods.

Territory-wide

Owner-occupied Rehabilitation Assistance (HOME) $90,000*

*Program income

Provide Accessibility for the Purpose of Creating Suitable Living Environments

Con Plan Objective #3. Continue to support and expand services for special needs populations including (among others) youth, the elderly, domestic violence victims, physically and mentally challenged, chronic substance abusers and persons with the AIDS virus, with particular emphasis on assistance to persons with mental illness and addiction to substances.

St. Thomas

- After-school program for the disabled
  VI Resource Center for the Disabled, Inc. (CDBG) $32,500.00

St. Croix

- Operation of a transitional house & provision of essential services
  VI Partners in Recovery (ESG) $32,647.40
- Operation of a shelter & provision of essential services for persons with substance addiction issues
  Frederiksted Baptist Church (ESG) $12,000.00

Con Plan Objective #4. Provide youth with opportunities for a structured environment to reinforce their education and development of positive behaviors in order to reduce juvenile delinquency and school drop-outs.

(CDBG)

St. Thomas

- After-school program for youth, Wesley Methodist Church $35,000.00
- After-school program for youth, St. Andrews Seek & Serve, Inc. $32,000.00

St. Croix

- After-school program for youth, Holy Ghost Deliverance, Inc. $37,000.40
- After-school program for youth, Mon Bijou Homeowners Assoc. $33,000.00
- After-school program for youth, Women with Focus, Inc. $20,596.26
- After-school program for youth, The Garden School, Inc. $15,000.00

Con Plan Objective #5. Support programs and activities that assist the homeless to become as self-sufficient as possible through new or improved housing and facilities, supportive services and prevention services, with particular emphasis on assistance to persons with mental illness and addiction to substances.

St. Croix

- Construction of a building for use as a soup kitchen and outreach center
  Catholic Charities of the Virgin Islands, Inc. (CDBG) $318,350.00
- Provision of homelessness prevention & housing relocation/stabilization services
  St. Croix Mission Outreach, Inc. (ESG) $34,006.60
- Operation of a men's shelter in St. Croix
  St. Croix Mission Outreach, Inc. (ESG) $25,000.00
- Contribution of data to the Homeless Management Information System (HMIS)
  St. Croix Mission Outreach, Inc. (ESG) $3,720.00

Con Plan Objective #6. Assist programs that support strong, healthy families and reduce child abuse and domestic violence.

St. Thomas

- Rehabilitation of a property to be used as transitional housing for victims of domestic violence
  Family Resource Center, Inc. (CDBG) $395,000.00

St. Croix

- Learn-to-swim training program for elementary-age public school youth
  STX Swimming Assoc. (CDBG) $10,000.00
- Reconstruction of the main administrative offices/counseling center of the primary agency providing services to victims of domestic violence
  Women's Coalition of St. Croix (CDBG) $110,648.00

Con Plan Objective #7. Expand, revitalize and preserve the community's public facilities and infrastructure serving primarily low and moderate income neighborhoods and programs assisting low and moderate income persons.

St. Croix

- Construction of a community center
  Mon Bijou Homeowners Assoc., Inc. CDBG) $248,825.14

Provide Sustainability for the Purpose of Creating Suitable Living Environments

Con Plan Objective #8. Remove potential and imminent threats to health and safety.
(No activities anticipated at this time).

Provide Accessibility for the Purpose of Creating Economic Opportunities

Con Plan Objective #9. Support economic development activities that retain jobs or provide improved job opportunities for low income persons.

St. Thomas

- Continuation of construction of farmers' market facility
  Department of Agriculture (CDBG) $268,892.80

Effectively administer the Community Development Block Grant, the Emergency Solutions Grant and HOME Program.

CDBG	$396,696.40
ESG	$8,705.00
HOME Program	$95,995.00

SUMMARY OF FEDERAL, STATE AND LOCAL RESOURCES TO BE MADE AVAILABLE

CDBG

CDBG funds may be used for a variety of housing and community development projects serving primarily low- to moderate-income households. Historically, the Territory has awarded its CDBG funds primarily to projects which provide after-school programs and to public and neighborhood facilities. The total amount of the FY 2013 allocation is $1,983,482.

ESG

Formerly known as the Emergency Shelter Grants Program, the ESG program has changed to the Emergency Solutions Grant in accordance with the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act). Under the new ESG, the program's focus has shifted from addressing the needs of homeless persons in emergency or transitional shelters to now assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. In keeping with the new focus, ESG funds may be used for housing relocation and stabilization services and rental assistance to help individuals of families who are imminently at-risk or literally homeless as well as to support and improve the quality of existing homeless shelters, to provide essential social services to homeless persons, and to meet the cost of operating shelters and transitional housing to prevent homelessness. Three subrecipients will utilize awards under this grant for homelessness prevention services; maintenance and operation of emergency shelters; shelter-based essential services; and costs associated with HMIS. The FY 2013 allocation is $116,079. No program income is anticipated.

HOME

The primary objective of the HOME Program is to expand the supply of safe, decent, sanitary and affordable housing for very-low and low-income families. Eligible activities include homebuyer and rental assistance as well as homeowner rehabilitation assistance programs. Funds may be used for acquisition, rehabilitation and new construction of housing, and for tenant-based rental assistance. The FY 2013 allocation is $639,983 – which represents a significant decrease from previous years. This amount will be augmented by program income in the amount of $110,000.

CONTINUUM OF CARE GRANT

Historically, the Virgin Islands Continuum of Care on Homelessness has applied each year to HUD for McKinney-Vento funding through a national competition. Under the HEARTH Act, the McKinney Vento Act was amended; as part of the changes, the programs formerly known as the Supportive Housing Program, the Section 8 Moderate Rehabilitation for Single-Room Occupancy Program, and the Shelter Plus Care Program have been combined under a single program known as the Continuum of Care grant. Continuum of Care grant funds may be used for projects under various program components which include permanent supportive housing, transitional housing, and supportive services only.

In February, the VI CoC submitted an application for funding under the FY2012 CoC Consolidated Grant. The application included funding requests for a total of four projects from three organizations as follows:

Department of Human Services (DHS) - St. Thomas/St. John District
Frederiksted Baptist Church (FBC) - St. Croix District
Methodist Training & Outreach Center (MTOC) - St. Thomas/St. John District

Methodist Training Outreach Center's HMIS and the Department of Human Services' Permanent Housing projects were funded for the entire requested amounts - $96,560 and $35,952 respectively. MTOC Supportive Housing (a renewal project) was also funded in the amount of $171,560. The Territory recently received notification that the final project submitted under the application– i.e., FBC Eagle's Nest Transitional Housing/Supportive Services – has also been awarded $299,310.

OTHER MISCELLANEOUS FEDERAL AND LOCAL RESOURCES

USDA, Section 8 Vouchers, and Homestead Loan funds in the amount of approximately $21.9 million are expected to be available to assist in addressing housing needs.

ACTIONS TO BE TAKEN TO ADDRESS OBSTACLES TO MEETING UNDERSERVED NEEDS

To improve the ability of the Territory to respond to the needs of its underserved populations, initiatives will be undertaken in 2013-14 aimed at further streamlining the delivery of housing and community development programs and services. A number of actions are planned to address underserved needs.

The VIHFA and the VIHA will continue to expand cooperation between the two housing providers including referral of public housing tenants who are in the Family Self-Sufficiency program and those in the Housing Choice Voucher program to VIHFA to apply for their homebuyer program, to receive pre-purchase counseling or homebuyer education. VIHFA continues to work collaboratively with USDA Rural Development to structure affordable financing packages with a focus on increasing the number of low-income households achieving home ownership. The objective is to facilitate the creation of innovative financing packages, structured within the framework of both programs, which ultimately will result in increased home ownership opportunity for clients from typically underserved populations.

Pursuant to the HEARTH Act, ESG recipients and the local Continuum of Care are required to collaborate in planning, funding, implementing, and evaluation homeless assistance and homelessness prevention programs. Accordingly, the Territory consulted with the local CoC on key program elements including: the establishment of funding priorities to determine how ESG funds will be allocated for eligible activities, development of project performance standards, review of project proposals, and determination of funding allocations. To facilitate the process of consultation, a survey instrument was distributed to CoC member organizations. In addition to asking respondents to rank strategies for addressing homelessness, the survey also asked respondents to comment on whether the funding priorities should be identical across the two island districts, the criteria that should be considered in the selection of proposals for receipt of ESG funds, and the performance measures that should be used to evaluate ESG-funded activities. A special sub-committee of CoC members participated in the review and evaluation of the applications for ESG funding; the evaluations formed the basis for the selection of the proposals that have been recommended for funding.

Other actions to be taken include additional capacity-building relative to the Continuum of Care to improve the potential to obtain additional resources under the new Continuum of Care Program and increase both services and housing to homeless in the Territory. The CoC has plans to revise its bylaws to incorporate key requirements for operation of a viable CoC in compliance with the established regulations; there are also plans to recruit and establish the composition of the Board in accordance with the guidelines. It was the consensus of CoC members that for the next several months the CoC will focus its efforts on the revision of the bylaws, outreach and recruitment, and development and application of a monitoring tool for CoC grant-funded programs.

The VIHFA serves as the designated CoC Lead Agency. This is also expected to improve the coordination of homeless programs/services. Finally, homeless providers are planning to work cooperatively to continue annual Homeless Connect events that engage the homeless and bring together in one location the various homeless programs/services.

SUMMARY OF PROGRESS IN PREVIOUS ACTION YEAR

Among the activities that have already begun to have an impact on low- and moderate-income needs families are as follows: Three former McKinney-Vento projects are currently being carried out here in the Territory - one under the Single Occupancy Program and two programs under the Supportive Housing Program. A local non-profit, Methodist Training & Outreach Center (MTOC), is serving as the implementing agency for the Single Occupancy Program. The Single Occupancy Program is funded by a ten-year grant in the amount of $565,440, which was initially executed in May 2004. MTOC also implements one Supportive Housing Program while the local Department of Human Services (DHS) administers a second Supportive Housing Program utilizing McKinney-Vento grant funds that were initially awarded in Program Year 2008-09. Implementation of the DHS project was initially delayed; thus, the project - which entails leasing of rental units on scattered sites throughout St. Thomas - is just completing its second year of operation. Four clients were served during the 2012-13 Program Year. Clients are provided with housing plus support services to ensure their successful tenancy. The initial two-year grant expires in July 2013 and has been awarded an annual renewal of $35,952. MTOC's Supportive Housing (a renewal project) was awarded funding in the amount of $171,560 under the FY2012 CoC Consolidated Grant.

Due to budgetary challenges facing the Territory, two years ago DHS submitted a substantial amendment to HUD seeking to convert a second Supportive Housing project to scattered site leasing. The substantial amendment for conversion of the larger grant was approved. Once the program is implemented, it will provide permanent supportive housing for twelve additional clients – six each in St. Croix and St. Thomas/St. John, respectively.

During the 2012-13 Program Year, there have been a number of accomplishments under the CDBG Program as follows: Across the Territory, five (5) public facilities were fully completed and placed in service. On St. Croix the Women Coalition of St. Croix, Inc. completed the renovations of their office expansion and parking lot project. This project made additional counseling spaces available for victims of domestic violence. The Bethel Methodist Church recently completed their outreach and community service building. This facility has the ability to provide outreach services for low income residents in the Mars Hill, Smithfield, Two Brothers, and Marley Housing communities. Helping Children Work, Inc. placed in service a newly completed state of the art reading and computer center for the low income residents of Estate Grove. The Arma Pavie Sports Club, Inc. completed the installation of new bleachers and perimeter fencing. On St. Thomas, the Family Resource Center, Inc. complete the construction of a two story facility that provided additional counseling and office spaces for the servicing of victims of domestic and other violence crimes.

An additional two (2) other public facilities which are being undertaken in phases accomplished sufficient work which allowed the respective sponsor organizations to place in service the portions of the facility that were completed. During the earlier part of the year, the Department of Agriculture held a ribbon cutting ceremony, opening the Bordeaux Farmers' Market project to the public. Farmers in the Bordeaux community have access to a facility that provides tables to sell and display their produce in sanitary conditions; the facility is also available for hosting community events. The Virgin Islands Partners In Recovery, Inc. completed the repairs and renovations to the first and second floor of their transitional housing facility for the homeless on St. Croix.

The CDBG Program has five (5) projects currently under construction- including Catholic Charities' Transitional Housing Facility/ Outreach Center, Sojourner Shelter Renovations, Council on Alcoholism and Drug Dependence St. Thomas - St. John (COAST) transitional facility repairs, Caribbean Museum solar power installation and St. Croix Youth Soccer (AYSO) Field Restoration.

Finally, there are three (3) public facilities projects across the Territory which are currently in various stages of pre-construction- including Mon Bijou Community Center and VI Partners In Recovery Phase III on St. Croix and Catholic Charities Soup Kitchen and Family Resource Center Counseling Phase III on St. Thomas.

In the St. Thomas/ St. John district, six (6) public service projects – primarily serving at-risk youths - were completed by various non-profits and faith based organizations. There are another six (6) public service projects currently underway. In the St. Croix District, a total of five (5) public service projects – offering services for at-risk youth and also homeless were completed during the period. There are another eight (8) public service projects currently underway – mostly after-school programs for youth.

Under the Emergency Shelter/Solutions Grant (ESG) Program, accomplishments during the 2012-13 Action Plan Year have been as follows: two shelters (St. Croix Mission Outreach's Genesis House and Frederiksted Baptist Church's Eagle's Nest Shelter) have utilized ESG funds to support their operations. Thus far, Genesis House has served a total of 11 adult males- all chronic substance abuse clients; Eagle's Nest has also served 10 adult males – 1 of whom were substance abuse clients. Two non-profit organizations (COAST -St. Thomas and VI Partners in Recovery on St. Croix) utilized ESG funding to provide essential services. VI Partners in Recovery and COAST utilized ESG funds to supplement the salary of a case worker who provided case management services; Frederiksted Baptist Church's Eagle's Nest Shelter used the funds to provide a stipend for an associate to provide case management services to its residents. To date, a total of 52 clients at The Village have received services ranging from assistance in accessing public assistance, coordination of medical appointments (to include psychiatric consultations), and workforce re-entry preparation.

Ten Thousand Helpers, Inc. has served 15 adult male clients on St. Croix who are homeless and are chronic substance/alcohol users with services via its Street Outreach Program.

First Wesleyan Soup Kitchen on St. Thomas provided 185 meals to clients who are homeless. A majority of those clients were chronic substance/alcohol users.

During PY 2010-11 (the first Action Year of the 2010-2014 Five Year Plan), HOME Program activities assisted a total of 22 households. Fourteen (14) projects were completed – all received first-time home ownership assistance. With respect to owner-occupied rehabilitation, due to limited staff resources available, no projects were undertaken during the period.

During the 2011-12 Action Plan Year, four (4) activities achieved substantial completion under the HOME Program. An additional six (6) units were assisted but not completed by the close of the program year. The actual number of home ownership units completed was far less than expected; the decline in activity can be directly attributed to the ongoing economic recession in the Territory and the island of St. Croix in particular.

Thus far during the 2012-13 Action Plan Year, seven (7) units have achieved substantial completion and one (1) unit achieved full completion. Market conditions (primarily the high cost of construction combined with stagnant or falling income levels) continued to require larger subsidies in order to purchase. With respect to owner-occupied rehabilitation, due to limited staff resources available, no projects have been undertaken to date.

One area which continued to show improvement in the PY 2012-13 Action Year is the number of open CDBG and ESG projects from previous funding years. Program staff provided technical assistance to sub-grantees which assisted the completion of several projects which had been delayed.

A related accomplishment is the continued improvement in the areas of timely disbursement of funds and also timeliness of expenditure of grant funds. During the PY2012-13 program year, the ratio of unexpended CDBG funds (i.e., the measure of expenditure timeliness) was maintained in compliance and the expenditure timeliness test was met in May – a full two (2) months ahead of schedule.

With the consolidation of the local government's rental and home ownership housing programs under VIHFA, which became effective on March 11, 2008, program coordination, implementation and management between the rental and home ownership programs continue to improve. With the local housing programs under common management, VIHFA becomes a "one-stop shop" for rental through home ownership. During the 2011-12 Action Plan Year, the local emergency housing program was re-structured; under the new policy, emergency housing applicants must be represented by an approved service provider agency that will act as provider, coordinator, or referral agency for the range of supportive/community services that may be needed by or available to the applicant. The local emergency housing program has entered into memoranda of understanding with seven (7) service provider agencies to date; in addition, relationships have been established with another eight (8) agencies which have committed to provide supportive services, as applicable.

In addition, various home ownership programs now have a centralized application process and determination of eligibility for the program most appropriate to the need/situation of the particular applicant. This now allows for the implementation of a true continuum approach to the delivery of housing services.

MANAGING THE PROCESS

LEAD AGENCY DESIGNATION

The Virgin Islands Housing Finance Authority administers the three Consolidated Plan programs for the Government of the U.S. Virgin Islands and thus is the lead agency for the Territory's consolidated planning effort – to include the preparation of this Annual Action Plan.

SUMMARY OF ANNUAL PLAN DEVELOPMENT PROCESS

It has long been recognized that having a comprehensive master plan for housing, community and economic development is essential to the growth and prosperity of the Virgin Islands. In designing its Consolidated Plan to establish a unified vision for addressing identified housing, homeless and community development needs, the Virgin Islands provided a broad range of groups and organizations an opportunity to give input and feedback. There was a concerted good faith effort in the design and implementation of the development process to consult with and involve appropriate social service agencies, community-based organizations and concerned citizens - according to the guidance provided by the implementing the Consolidated Plan regulations at 24 CFR Part 91. Coordination occurred with the major housing and community development organizations and groups in the Virgin Islands, as indicated by the consultation list below.

During the planning process, agencies were interviewed to obtain information on priority needs and available resources to meet needs, and were asked to provide strategic plans, performance reports, surveys, and program narratives. Among this group were various public agencies and non-profits organizations whose missions include addressing the needs of children, persons with disabilities, persons with HIV/AIDS and elderly and homeless populations specifically solicited for their input in the development of the Consolidated Plan. The organizations that were consulted with and contributed to the needs assessment and strategy development process included:

- Virgin Islands Housing Authority
- Virgin Islands Housing Finance Authority
- Virgin Islands Department of Planning and Natural Resources
- Virgin Islands Department of Human Services
- Virgin Islands Economic Development Authority
- Lutheran Social Services of the Virgin Islands
- Virgin Islands Continuum of Care on Homelessness
- Catholic Charities of the Virgin Islands
- University of the Virgin Islands
- Members of the real estate industry on St. Croix and St. Thomas

The broadened participation has resulted in a more holistic strategy and a more fully defined set of allocation priorities. The Territory's Action Plan (AP) indicated herein is the direct result of this interactive process.

The approval of projects to be funded under CDBG entails four stages. Public agencies and community organizations were invited to develop and submit proposals that reflect the needs of their communities or the segments of the populations that they serve. A total of 43 applications requesting $7.78 million were submitted by organizations during this process.

The second level of approval entailed review of proposals by CDBG staff based on federal regulations, the Consolidated Plan and community need and feasibility, ratification by the VIHFA's Board of Directors, and then transmittal to the Governor of those projects recommended for funding.

The final two levels of approval entail the Governor's recommendations to the local legislature and deliberations and ratifications by that body. Prior to its deliberations, the local legislature conducts public hearings at which persons are invited to testify; the hearings are advertised in the local media. Following the ratifications by the Governor, several news articles describing the projects which were selected for funding appeared in newspapers of general circulation.

Both the Virgin Islands Interagency Council on the Homeless and the V.I. Continuum of Care (CoC) for the Homeless were consulted with respect to developing the Territory's five-year homeless plan/strategy. The former was organized by the Governor to develop policies and strategies to end homelessness. The latter is a cooperative of organizations, governmental entities and individuals dedicated to capacity-building and securing resources for the Territory. One of the key tasks of the CoC is the preparation of the Continuum of Care Grant application.

With respect to the HOME Program, the program staff reviews each individual application for assistance in the order in which received in order to determine the applicant household's eligibility. Upon certification of the household's eligibility, the staff reviews the proposed project to ensure compliance with the program criteria. Once the proposed project has been deemed eligible, staff calculates the amount of subsidy funding required. The project is then reviewed by a Loan Committee and receives final approval.

COORDINATION

The VIHFA has a full-time staff position dedicated to the implementation of the ESG Program and the development of policy to reduce homelessness and increase services available to the homeless or at-risk of becoming homeless. This has made for better coordination and exchange between VIHFA and other entities making up the Interagency Council on Homelessness and the Continuum of Care (CoC). Since mid-2012, the VIHFA has served as the lead agency for the CoC.

Several actions will be taken in the coming year to strengthen coordination among agencies and governmental entities in the Territory as follows:

- Coordination of homeless programs and capacity-building relative to the Continuum of Care to improve the potential to obtain additional resources under the HEARTH Act and increase both services and housing to homeless in the Territory
- Continued development of a comprehensive system for administering emergency housing services in the Territory. Note: During the 2011-12 program year, VIHFA entered into a series of formal agreements with various service provider agencies to encourage coordination of emergency housing services whereby the VIHFA will maintain units available for emergency housing while the provider agencies will coordinate referrals for the range of housing and social services and provide case management for those persons in need of emergency housing. This coordination is expected to result in a smoother and more rapid transition along the housing continuum for those persons who are either homeless or at-risk of becoming homeless.

The VIHFA has also convened a local Emergency Housing Task Force which is tasked with creating a strategic plan to coordinate the provision of housing in the event of a natural disaster caused by, but not limited to, hurricanes, tornadoes, and/or tsunamis. Several subcommittees of the task force have been convened to outline the available resources and execution strategies in various areas such as housing options, partners, needs assessment, and preparedness training. The ESG staff person also serves the Emergency Housing Task Force.

SUMMARY OF THE CITIZEN PARTICIPATION PROCESS

As part of the Consolidated Planning process, the Territory developed and adopted a Citizen Participation Plan which provides for and encourages citizen participation in the assessment of housing, homeless and community development needs, the development of strategies for addressing the needs identified, the establishment of annual allocation priorities, and finally, the evaluation of program performance.

In accordance with the Citizen Participation Plan, proposals were solicited from governmental agencies and non-profit organizations for projects to be considered for funding in the 2013 grant year. During the course of development of the Action Plan, public hearings were held throughout the Territory to obtain public comments on needs and to take testimony on the projects that were being considered for funding.

The dates and locations of the public hearings were as follows:

- Frederiksted, St. Croix — April 16, 2013
- Cruz Bay, St. John — April 17, 2013
- Charlotte Amalie, St. Thomas — April 18, 2013

The public hearings were advertised in local newspapers of general circulation for a period of two weeks before the scheduled hearings. In accordance with the Territory's Citizen Participation Plan, all of the hearings were scheduled on weekdays, during the early evening hours, and at a meeting place commonly used for public hearings in that community. Meetings and public hearings on needs and the Action Plan were conducted in buildings that were physically accessible. Spanish language translators and Sign language interpreters were available upon request at the public hearings to ensure full citizen participation. Additional efforts were taken to encourage participation of non-English speaking persons and persons with disabilities.

(See the Appendix C for copies of newspaper ads for the public hearings).

In accordance with the Citizen Participation Plan, the draft Action Plan was made available for public review and comment.

The draft Plan was made available at public libraries and various government offices through the Territory and on the VIHFA's website at www.vihfa.gov. Upon approval of the final Action Plan submitted to HUD, libraries and government offices will receive a final copy of the document in substitution for the draft Plan.

The thoughtful contributions of the citizens who attended the public hearings as well as those who may submit comments in response to the draft Annual Plan significantly affect the structure of the housing, homeless, and community development priorities, and the overall focus of the Action Plan.

SUMMARY OF EFFORTS TO BROADEN PUBLIC PARTICIPATION

The plan has been distributed broadly to libraries and government offices in convenient locations throughout the three main islands to provide maximum opportunities for review and comment on the plan. Each of the following libraries and government offices received a copy of the Action Plan for public review during the comment period:

- LIBRARIES:
  - Enid M. Baa Library, Charlotte Amalie, St. Thomas
  - Florence Williams Public Library, Christiansted, St. Croix
  - Athalie McFarlane-Petersen Library, Frederiksted, St. Croix

- GOVERNMENT OFFICES:
  - Governor's Office, St. Thomas
  - Administrator's Office, St. John
  - Virgin Islands Housing Finance Authority
    - St. Thomas Main Office
    - St. Croix District Office

SUMMARY OF COMMENTS OR CONCERNS RAISED DURING THE PLANNING PROCESS

The official comment period ends on August 23, 2013. No comments have been received to date. Any comments received during the public comment period will be reviewed by the VIHFA and addressed accordingly.

INSTITUTIONAL STRUCTURE

The consolidation of all the local housing programs under the VIHFA and the transfer of the administrative oversight for the CDBG and ESG Programs to VIHFA in 2008 represented the major actions which were needed to strengthen the capacity of the institutional structure. Since that time, the VIHFA has continued to work toward fine-tuning its organizational structure and expanding staff capacity in order to ensure the efficient delivery of services.

Four years ago, the Virgin Islands Housing Finance Authority created a non-profit subsidiary, known as VI Housing Management Inc., to manage its inventory of rental properties. The non-profit subsidiary has expanded access to financing sources such as the Low Income Housing Tax Credits; these opportunities will provide for the rehabilitation of the rental stock which came over to VIHFA under the 2008 housing merger. Many of the rental properties which were formerly under the local housing department are very old and in poor condition. Two properties in the St. Thomas/St. John district, Altona and Donoe were awarded a Section 1602 grant-in-lieu of credits in 2009 to finance the creation of new replacement units; construction of the Altona property has been completed while construction at the larger Donoe site was completed in December 2011. VIHM currently has two additional projects in development stages which were financed through the use of Low Income Housing Tax Credits.

Another action which is expected to increase the capacity of the institutional structure is the continued efforts to forge of a closer relationship between the V.I. Housing Finance Authority and the local PHA (VIHA). The PHA has expressed an interest in partnering with the VIHFA for the development new properties and also to revitalize some of the older existing properties. In light of limited HUD funding for new construction or substantial rehabilitation of multi-family properties, the PHA has recognized the need to enter into public-private partnerships to continue to carry out its mission. During the previous period, VIHA, through a public-private partnership, received a tax credit allocation for a second phase of Louis E. Brown Villas in St. Croix. The second phase will create 40 units of elderly housing. Construction of the first phase of LEB Villas has been completed and units are now occupied.

The VIHFA and the PHA have also entered into agreements regarding the provision of services to the PHA residents who are participants in the Resident Opportunity Self-Sufficiency (ROSS) program as well as those residing in PHA communities that are slated for home ownership conversion. The services include financial fitness workshops, homebuyer education, mortgage loan pre-qualification, pre-purchase counseling, and post-purchase counseling, as needed. It is expected that these efforts will ultimately facilitate the transition of public housing residents who are ready for home ownership thus freeing up units for those persons at the lower end of the income scale. During the previous 12 months, approximately twenty (20) VIHA residents received various services.

Another area in which institutional structure is being strengthened is in the building of the capacity of the local Continuum of Care organization. The membership participated in a CoC Technical Assistance Workshop on May 9, 2013, which was facilitated by Technical Assistance Collaborative, a HUD-contracted provider. During the coming months, the CoC will be revamped in order to improve its governance and operations and to prepare it for assuming a greater role relative to the Continuum of Care Grant administration process (to include development and application of a monitoring tool for CoC grant-funded programs), oversight of the Homeless Management Information System (HMIS), and a consultative role the development of the Consolidated Plan and the management of the ESG Program.

The CoC's Board of Directors will be composed of the following:

- The Collaborative Applicant (f/k/a the Lead Person/Agency)
- HMIS Lead Person/Agency
- Current or Former Homeless Individual (1 from each District)
- A Business Representative (1 from each District)
- Service Providers (1 from each District)
- Government Representative

CDBG AND ESG PROGRAM MONITORING

Non-profit agencies with limited HUD grant program experience and agencies with previous compliance or progress issues will continue to be an area of focus by the program staff during monitoring. Monitoring visits will also be an opportunity for informal technical assistance training to help sub-grantees improve compliance. Interviews, project reviews and file reviews will be among the methods employed to monitor program activities.

In terms of program progress, VIHFA intends to continue being aggressive in providing technical assistance and support services to help subrecipients implement projects in a timely manner and also in reprogramming funds that are being used too slowly. Acquisition projects will be considered and reallocations will be made in accordance with the V. I. Citizen Participation Plan.

During Program Year 2013-14, the plan is to monitor not only the projects funded from the current year's grant but also uncompleted projects from previous program years. Our goal is to maximize our monitoring not only to ensure that federal regulations are met but also to achieve compliance relative to timeliness of expenditure.

Historically, one of the main reasons for the slow expenditure of funds had been that many of the subgrantees experienced delays in the start-up of their projects. Some of the inherent problems were eliminated upon the transfer of the administration of the CDBG and ESG programs to VIHFA; however, the solution is to assist subrecipients implement projects in a timely manner and reprogram old funds to other projects that are able to move quickly. Our goal in Program Year 2013 is to move to more quickly to identify projects that are not progressing or commencing expeditiously and to reprogram funds once it becomes apparent that a grantee will not be able to complete its project within specific timeframes– i.e. projects that do not begin within 3 months after the issuance of notices to proceed or are not completed within 1 year (public service projects) or 2 years (construction projects).

Another reason for the slow expenditure of funds had been the under-funding of projects. Too often, construction projects went to bid only to find that all bids exceeded the budgets for the projects. Under the new system, construction management staff works closely with project architects from the outset in order to ensure that project designs are modest. In addition, construction projects are carefully reviewed by the VIHFA's construction management staff to ensure that the projects can be built within the proposed budget. Finally, the CDBG Program now tries to avoid funding construction projects in amounts less than needed to complete the project unless the sub-grantee has satisfactorily demonstrated that additional resources are in place or the construction management staff has determined that the project can be carried out in phases.

HOME PROGRAM MONITORING

The HOME program will be monitored for progress in implementing activities on a timely basis and compliance.

Prior to the commencement of home ownership or rehabilitation projects (single-family units), VIHFA ensures that the contractor selected by the homeowners is duly licensed and eligible to work on HUD projects. Some of the other cross-cutting federal requirements such as Davis Bacon, Section 3, and Affirmative Fair Housing Marketing are not triggered by individual single-family projects and therefore no monitoring is necessary to oversee these requirements.

The VIHFA's Planning & Construction staff conducts on-site monitoring of each HOME Program project during the construction/rehabilitation, to ensure that work performed is in accordance with the scope of work and meets applicable construction standards and local building codes. Monitoring is on-going throughout the duration of the project; the staff typically visits each project at least weekly.

HOME Program affordability period requirements are enforced via recapture provisions or resale guidelines, as appropriate, which are recorded as liens against the HOME-assisted property. As a result, no routine monitoring of homebuyer/homeowner compliance is required because the properties cannot be sold or transferred without the knowledge of the VIHFA.

There are no plans to utilize HOME funds for the production of multifamily units for either rental or home ownership during the period covered by this Plan. Nevertheless, there are three rental projects which remain subject to monitoring. With respect to these projects, the VIHFA conducts on-site monitoring (to include physical inspection of at least 20% of each project's HOME units) at minimum intervals as prescribed in the HOME regulations. In an effort to simplify its monitoring reviews, VIHFA has implemented a new year-end report which project owners will be required to submit within thirty days after the close of the reporting period. HOME Program staff, or the authorized monitoring contractor, shall review project files for all HOME units to ensure timely and proper completion of tenant certifications, compliance with rent and occupancy standards, and appropriateness of lease terms. HOME Program monitors shall also ensure that project owners are retaining income certifications and leases records for the most recent five years. HOME program staff shall maintain records for each project which shall include the records of each physical inspection along with any monitoring findings and documentation of all corrections. The most recent monitoring resulted in favorable findings for all file reviews. Several minor physical issues were noted but all have been corrected at this time.

The VIHFA does not sub-grant HOME Program funds to other agencies; thus, a description or plan of action for monitoring sub-grantee agencies is not applicable.

LEAD-BASED PAINT

Limited residential rehabilitation is proposed in the current year. The HOME program tends to rehabilitate properties which have limited condition issues in order to stretch limited funds. As such, all properties to be rehabilitated by VIHFA are anticipated to be constructed in recent years and therefore not expected to require abatement. In the event that a project with potential Lead-Based Paint (LBP) hazards is to be rehabilitated, VIHFA will comply fully with the requirements and abate any hazards.

During this program year, few CDBG and ESG funds are expected to be provided for residential rehabilitation. Where applicable, subgrantees will be required to follow LBP requirements, will be given instruction on the specific requirements and will be monitored to assure compliance. As part of the procedures, information will be provided to property owners and occupants on the dangers of Lead-based Paint, and potentially hazardous surfaces will be properly covered when found.

SPECIFIC HOUSING OBJECTIVES

HOUSING PRIORITIES AND OBJECTIVES

In the 2013 Program Year, the Virgin Islands will focus on meeting the following priorities/specific objectives under the strategy of providing decent affordable housing:

1. Preserve and expand the stock of affordable rental housing for low- and moderate-income persons, including homeless and other special needs populations.

2. Expand homeownership opportunities for low- and moderate-income households and promote sustainable neighborhoods through production of new and/or improved housing and homebuyer programs in support of mixed-income/mixed-use neighborhoods.

Priorities were developed considering the significant housing affordability issues of both low- and moderate-income homeowners and renters. The factors of high land costs and high site development costs were weighed with the needs for housing rehabilitation to determine priorities for increasing affordable housing.

In spite of the recent lowered mortgage interest rates, the high initial cost of purchasing homes and the on-going costs of homeownership (such as insurance), make assistance to homebuyers a high priority. Because the subsidies needed are so large, the homeowner/buyer programs are targeted for households at 50% of area median income and higher, with the majority to be assisted between 60% and 80% of area median. The housing market analysis indicates that prospective low-income homebuyers need a subsidy of more than $80,000 to be able to afford to purchase an adequate home. In addition, the poor condition of the homes of many of our low- and moderate-income households establishes a high priority to assist existing homeowners.

FEDERAL, STATE, AND LOCAL PUBLIC AND PRIVATE SECTOR RESOURCES

Description of Federal, State, and local public and private sector resources that are reasonably expected to be available to address identified housing needs for the period covered by the Action Plan:

Source	Sector	Amount	Tenure Type
HOME funds (formula)	Federal	$639,983	Home Ownership
HOME funds (program income)	Federal	$90,000	Home Ownership
CDBG	Federal	$0	
ESG (FY 11supplemental alloc.)	Federal	$47,907	Rental/Homeless
ESG (FY 12 allocation)	Federal	$46,500	Rental/Homeless
ESG (FY 13 allocation)	Federal	$34,006	Rental/Homeless
Continuum of Care Grant	Federal	$603,382	Homeless
Low Income Housing Tax Credits	Federal	$2,590,000	Rental
Section 8 (Housing Choice Vouchers)	Federal	$12,497,829	Rental; Home Ownership
USDA Rural Development Section 504	Federal	$500,000	Home Ownership (rehab).
USDA Rural Development Section 502 (Direct Lending)	Federal	$3,600,350	Home Ownership
USDA Rural Development (Guaranteed Loan Program)	Federal	Unlimited	Home Ownership
HUD Continuum of Care Program f/k/a McKinney-Vento (housing only)	Federal	$ 304,072	Rental, Homeless
Homestead Loan Program	Local	$446,358	Home Ownership
Veterans Home Loan Program	Local	$959,518	Home Ownership
Moderate Income Loan Fund	Local	$980,630	Home Ownership
Local Non-profit Organizations	Local	$TBD	Rental, Homeless

MATCH REQUIREMENTS: There is no requirement for the Virgin Islands to match the HOME funding. The match for the ESG program will be provided primarily by non-profit organizations such as Catholic Charities, Methodist Training and Outreach, Inc. and St. Croix Mission Outreach from fund-raising and from the United Way.

HOME funds will be a primary source of financing to implement the housing objectives, focusing on the needs of low- and moderate-income homeowners and prospective homeowners. Housing rehabilitation and purchase assistance will be the primary method to increase the ability of low- and moderate-income households to become and remain homeowners.

HOME Program funds for home ownership assistance are used primarily as subsidy (secondary) financing in conjunction with primary financing provided by other lenders. The HOME funds are used for mortgage buy downs, closing cost assistance and filling other gaps in lending requirements. For a majority of the assisted households, USDA Rural Development's 502 Direct Lending Program (a federally funded program) provides the primary financing. Rural Development provides subsidizes payment mortgages with 33- and 38- year terms for very-low and low-income families. The collaboration between VIHFA's HOME Program and USDA Rural Development provides for the leveraging of HOME funds which enables the VIHFA to expand

the number of households that it is able to assist. In other cases, local government lending programs or conventional lenders provide the primary financing.
ESG funds will be used to support homelessness prevention activities, primarily to provide security deposit, utility deposit, and first month's rental assistance as a means of securing affordable rental housing for low- and moderate-income persons, including homeless and other special needs populations.

Renters will be assisted primarily via the Housing Choice Voucher Program. The production of new affordable rental units will be funded via the federal Low Income Housing Tax Credit (LIHTC) programs, operated by the VIHFA. By statute, LIHTC units are restricted to households at or below 60% of area median income.

Housing Choice Vouchers may also be used for home ownership assistance. This has led to new opportunities for leveraging/collaboration with local lenders especially USDA Rural Development.

USDA Rural Development's Section 504 Repair program assists very-low income homeowners to repair their unit to remove health and safety hazards. From time to time, both the VIHFA and USDA Rural Development refer owner-occupied rehabilitation applicants to the other agency for additional financing. The collaboration between VIHFA's HOME Program and USDA Rural Development provides for the leveraging of HOME funds which enables both agencies to expand the number of households that can be assisted and the scope of repairs/improvements that can be undertaken.

Some additional examples of the leveraging of resources which will be employed to expand home ownership opportunities for low- and moderate-income households are as follows:

Source	**Sector: Federal/Territorial/Local/Private**	**Resource**
V.I. Housing Finance Authority (VIHFA)	Local	Financial support of the Home Buyer Education Program
Various Housing & Housing-related Industry Professionals	Private; also Federal	Donated time & materials for the Home Buyer Education Program
VIHFA	Local	House plots (for affordable housing development) made available at below-market prices Average subsidy: $25,000 per lot.
Government of the V.I.	Local	Various tax exemptions available to developers of low- and moderate-income housing under an Affordable Housing Development Agreement; Developable land transferred from the central government's inventory to the VIHFA for the development of additional units of affordable housing
VIHFA	Local	Stamp Tax Proceeds may not be will be available to subsidize housing and/or purchase land for the Affordable Housing

		Program for the next two years.
Government of the V. I.	Local	Housing Trust Fund

(1) One of the services the Virgin Islands Housing Finance Authority (VIHFA) offers is a home buyer education seminar for first-time purchasers. Persons who are generally interested in home ownership and current home ownership applicants (many of whom are low-income persons who are receiving assistance through the HOME Program) attend the training. The seminar provides eighteen hours of classroom instruction based on a nationally-recognized curriculum augmented by guest presentations by representatives of lenders, insurance agents, home inspection professionals, realtors, and construction managers, etc. The seminar covers topics such as budgeting and money management, credit management and understanding the loan closing process. The VIHFA believes that the availability of a home buyer education program bolsters the success of the home ownership experience for first-time homebuyers by ensuring that they are equipped with knowledge about housing choice, financing options, available assistance programs, etc. The VIHFA's contribution to the home buyer seminar include salary expenses associated with the professional staff (the course facilitators are VIHFA employees) and other support staff, annual professional development training to ensure that the facilitators maintain their national certification, and the provision of the training venues. VIHFA's contribution is funded through local agency resources. In addition, the guest presenters donate their time and supplemental course materials; this represents private sector resources that are also being contributed toward the effort.

(2) VIHFA routinely makes available tracts of land for development of home ownership subdivisions. House plots (including infrastructure) are sold to individual purchasers at below-market prices; typically, the average subsidy is $25,000 per lot.

(3) The Territorial government has also provided land to keep the cost of housing developed by the Virgin Islands Housing Finance Agency affordable to participants. The VIHFA and the central government are continue to work together to identify additional acreage owned by the Territory that can be used for the development of affordable housing.

(4) Pursuant to Title 29, Section 713e of the Virgin Islands Code, certain tax benefits are granted to every person, firm partnership, joint venture, or corporation that executes an Affordable Housing Development Agreement for the production of affordable housing. Under this provision, the developer, its contractor, subcontractors, and local vendors are entitled to an exemption of all gross receipt taxes, excise taxes, and customs duties in excess of 1% that are applicable to the production of affordable housing. In addition, all local corporate income taxes allocable to the project are also waived. The cost savings that are realized serve to reduce development costs and translate into more affordable purchase prices. This ultimately reduces the amount of subsidy required by purchasers. It also provides for an additional leveraging of HOME funds, which enables the VIHFA to expand the number of households that it is able to assist.

(5) Pursuant to Title 33, Section 130 of the Virgin Islands Code, 30% of the stamp tax revenue collected by the Territorial government is to be deposited to the VIHFA annually. VIHFA has developed an in-house lending program (Single Family Loan Purchase Program) which is designed to assist first-time homebuyers who are unable to qualify for assistance under the HOME Program because their income exceeds the HOME Program's income limits. In light of a recent proposal by the Governor to divert the stamp tax proceeds to the Territory's General Fund as part of the efforts to stem the ongoing fiscal crisis in the Territory, the stamp tax revenue is not expected to be available to the VIHFA for the next two years. This will have a significant negative impact on the VIHFA's in-house mortgage lending activity; however, it is expected that the VIHFA will identify other financing mechanisms until the stamp tax revenues are once again available.

(6) Pursuant to Title 33, Section 2302 of the Virgin Islands Code, certain monies are to be deposited into a Housing Trust Fund. The V.I. Code provides that the Housing Trust Fund monies are to be used to finance or facilitate financing of the construction or rehabilitation of housing units for low and moderate income residents of the Territory. Although the fund has not been available for several years, it is anticipated that, once the fund is replenished, there will be approximately $1.5Million for additional affordable housing subsidies.

NEEDS OF PUBLIC HOUSING

The main providers of public housing to residents of the U.S. Virgin Islands are the Virgin Islands Housing Authority (VIHA - the local PHA) and the VIHFA. These agencies oversee approximately 4,000 public housing units in the Territory. These are generally fully occupied but the VIHA has several developments with lower occupancy rates that need major rehabilitation or demolition/replacement, are being modernized, or have been modernized and are now in the process of being re-occupied.

VIHA administers HUD-funded programs for low-income rental housing in the U.S. Virgin Islands. There are currently 23 public housing communities in the Territory composed of 3,200 dwelling units. This number has been declining and continues to decline as units are demolished or converted to homeownership. Of these, nine communities consisting of 1,483 units are located on the island of St. Thomas and fourteen communities consisting of 1,722 units are located on the island of St. Croix[1]. Currently, one project on St. Croix consisting of sixty units is unoccupied and waiting for redevelopment while another St. Croix community consisting of 264 units is in the process of being vacated and is expected to be demolished. Plans are in process to convert additional units on St. Croix for homeownership by public housing tenants, further reducing rental housing assets of the Housing Authority.

The need for additional public housing is critical. The conversion of public housing units to homeownership and the loss of additional units to demolition, with only limited replacements identified, make it increasingly difficult to accommodate existing residents or applicants on the waiting list. Currently, there are 1,098 families on the waiting list Territory-wide. VIHA does not have the required funding to construct new developments without federal assistance, nor does it have sufficient funding to carry out a modernization program.

Combined Housing Needs of Families on the PHA Waiting List (as of June 2013)

Waiting List Data—St Croix	# of families	% of total families
Waiting list (Total)	559	
Extremely low income ≤30% AMI	455	81.40%
Very low income (>30% but ≤ 50% AMI)	81	14.49%
Low income (>50% but ≤ 80% AMI)	25	4.47%
Families with children	204	36.49%
Elderly families	46	8.23%
Families with Disabilities	35	6.26%
Characteristics by Bedroom Size (Public Housing Only)		
1BR	393	70.30%
2 BR	138	24.69%
3 BR	65	11.63%
4 BR	12	2.15%
5 BR	1	.18%
5+ BR	0	0
Waiting List Data—St Thomas	# of families	% of total families
Waiting list total	439	
Extremely low income ≤30% AMI	339	77.22%
Very low income (>30% but ≤ 50% AMI)	72	16.40%
Low income (>50% but ≤ 80% AMI)	26	5.92%
725	220	50.11%
Elderly families	37	8.43%

Source: VIHA Viability Summary of May 19, 2010.

Families with Disabilities	19	4.33%
Characteristics by Bedroom Size (Public Housing Only)		
1BR	193	43.96%
2 BR	148	33.71%
3 BR	80	18.22%
4 BR	15	3.42%
5 BR	3	.68%
5+ BR	0	0

The most critical public housing needs are as follows:

(1) Funds (whether federal or local) to replace units lost from the public housing inventory.
(2) Funds for modernization of public housing units
(3) New senior housing
(4) Additional Section 8 Vouchers to deal with immediate needs and to provide a flexible source of rental assistance.

The 2010 VIHA Modernization Needs Inventory outlines current need for $271 million to upgrade units under its management, including the two communities which are proposed for demolition. Needed modernization includes basic renovation of the interior and exterior, deferred maintenance/repairs, painting, structural rehabilitation and improvements to make units accessible. In addition, site improvements such as landscaping, sidewalks/streets and water, sewer and drainage improvements are needed.

The Virgin Islands Housing Authority (VIHA) has established strategic goals to serve the needs of low- and moderate-income residents of the Territory. VIHA's 2010-2014 PHA Plan includes the following goals:

- Increase and sustain management and operational efficiency
- Increase PHAS scores to "High Performance" rating
- Develop additional affordable housing through redevelopment initiatives to include public/private partnerships
- Develop a viable homeownership strategy and program for low-income families
- Enhance the quality of life for assisted families by providing opportunities to participate in economic self-sufficiency programs and by coordinating with community partners and faith-based providers
- Enhance the attractiveness and marketability of the housing stock and neighborhoods

VIHA is continuing with the following strategies established in the 2010-2014 Five Year Plan to address the need for quality, affordable rental housing needs in the Virgin Islands:

- Demolition of Dilapidated and Obsolete Public Housing
- Modernization of existing apartments
- Redevelopment of affordable housing resources
- Acquisition of existing properties
- Acquire new affordable housing resources
- Develop additional elderly housing
- Development through public/private partnerships
- Creation of a redevelopment subsidiary of VIHA
- Interaction with other redevelopment entities
- Develop and expand project based affordable housing

Over the past several years, significant progress has been made toward these goals. In the last three years, VIHA has upgraded and repaired several hundred units in disrepair. VIHA has recently requested a HUD waiver to use RHF funds to bring 339 units back on-line for leasing. VIHA has also created a Force Account Vacancy Rehabilitation Team to assist with the rehabilitation of vacant units at several properties on St. Croix.

VIHA has designed a homeownership program and partnered with the VIHFA to provide homeownership counseling and mortgages financing with various banking and mortgage institutions for residents of Williams Delight on St. Croix. To date, VIHA has renovated 27 single family homes at Williams Delight to offer for sale to residents. Residents will be screened and processed for the homeownership program.

In recent years, VIHA has engaged in public-private partnerships with affordable housing developers to develop new rental housing using Low Income Housing Tax Credits. Louis E. Brown Villas was placed in service in 2012; developed with tax credits and project based vouchers, it made available 102 units. Ten (10) of the units at Louis E. Brown have been designated elderly units. A second phase of the Louis E. Brown project got underway during the 2012 program year. Upon completion, the project, which is being developed with tax credits and project based vouchers, will create 40 units for occupancy by elderly households. VIHA recently received an award of Low Income Housing Tax Credits for a development known as Sugar Estate which will create 80 new units of elderly housing on St. Thomas; construction is scheduled to be completed within 2 years.

VIHA has also expanded the use of Project-Based Vouchers by including 25 Project-Based Voucher units in at Louis E. Brown Villas I (LEB Phase I); VIHFA is also planning to use 30 Project-Based Vouchers at LEB Phase II. In addition, 60 Project-Based Vouchers are planned for the 80-unit senior housing development which is slated for St. Thomas (St. Thomas Senior Housing). Finally, VIHA will release a Request For Proposals for new Project Based Voucher properties in both 2013 and 2014.

In June 2011, Virgin Islands Housing Authority (VIHA) was awarded two HUD grants. Resident Opportunity and Self-Sufficiency (ROSS) funding for the maximum amount of $720,000.00 over a three (3) year period was awarded to support several service coordinator positions to organize supportive services and other activities designed to help residents to attain economic and housing self-sufficiency. The ROSS Program links public housing residents with supportive services, resident empowerment activities and assistance toward becoming economically self-sufficient. The ROSS Coordinators assess the needs of participating residents and coordinate available resources in the community to meet those needs. These services are geared toward enabling participating families to increase earned income, progress toward achieving economic independence and eventually attain housing self-sufficiency. Enrollment in the ROSS program stands at 215 residents as of May 2013.

The second grant award, the Family Self-Sufficiency (FSS) Grant in the amount of $69,000 was awarded to support the salary of one coordinator to implement the FSS program. The purpose of the FSS program is to encourage the pursuit of innovative strategies to link public housing assistance with other resources to enable participating families to increase earned income and make progress toward achieving economic independence and housing self-sufficiency. The first year grant concluded in December 2012 with the entire grant amount successfully drawn down. In September 2012, VIHA was awarded its second Public Housing Family Self Sufficiency (FSS) Grant for the maximum amount of $69,000. VIHA has structured its award to cover the salaries of two part-time FSS Coordinators – i.e., retaining one in each District. The deadline for expending the second year funding is December 2013.

The FSS is a voluntary program serving a minimum of 25 families and helps public housing residents obtain education, job training, and life skills necessary to move toward financial self-sufficiency. VIHA and the head of household of each participating family execute a five-year FSS Contract of Participation that specifies goals for each participating family member to achieve and referrals to necessary services to aid and support the family member to accomplish his/her goals. Over the five-year contract period, when participating family members report an increase in earned income and a new rent payment is calculated, a portion of the increase in rent is deposited monthly in an escrow account established for the family. Once the head of household completes the contract of participation by achieving all listed goals and is free from welfare assistance for 12 consecutive months, the family will receive the balance of the escrow account. VIHA has eleven (11) families enrolled in the FSS program as of May 2013.

Participants from both the FSS and ROSS programs have been linked to supportive services such as job readiness skills training, job search tutorials, enrollment in the University of the Virgin Islands, driving instruction, parenting skills development, computer literacy courses, employment opportunities, money management workshops, disaster preparedness, alternatives to violence workshops and domestic violence awareness workshops. Both of the grants will help to further the VIHA's goal of enhancing the quality of life of assisted families. VIHA plans to seek an extension on the current contract and apply for additional funding when available.

In addition to the ROSS and Family Self-Sufficiency initiatives, VIHA has also obtained Youthbuild Grants that will provide job training, employment and education opportunities for residents. The Youthbuild Program is designed to equip youth with skills to overcome education and employment challenges.

Virgin Islands Housing Authority (VIHA) has been in receivership since 2003; thus, it is currently being managed by HUD. The receivership has posed certain challenges for the local government in working with the PHA; nevertheless, the activities of the Action Plan are consistent with the needs and goals of public housing residents. Housing stability and opportunities for self-sufficiency are key elements of both VIHA's goals and the long-term objectives of the Territory's Consolidated Plan. On a broad level, the use of CDBG funds for public services supports the needs of low- and moderate-income households - many of whom are public housing residents. In addition, the homeownership programs of VIHFA also offer first-time homeownership opportunities for low- and moderate-income households – which generally include public housing tenants.

VI Housing Management Inc., a non-profit subsidiary of the Virgin Islands Housing Finance Authority, manages the local government's inventory of rental properties which came over to VIHFA under the 2008 housing merger. The non-profit subsidiary has expanded access to financing sources such as the Low Income Housing Tax Credits; these opportunities will provide for the rehabilitation/replacement of the rental stock. Two properties, Altona and Donoe created 62 new units of housing in the St. Thomas/St. John district. VIHM currently has two additional projects which will bring another 78 units on-line. Aside from the current efforts to demolish and replace some of the older inventory units with tax credit housing and, in other cases, rehabilitate units with local funding, the VIHFA/VIHM does not have any plans for wide-scale expansion of its rental-housing inventory in the immediate future.

BARRIERS TO AFFORDABLE HOUSING

In the Virgin Islands, a number of factors combine to create significant barriers to affordable housing. Due to the relatively small size of the islands and the relatively treacherous terrain in some areas, the supply of buildable land is limited. In addition, the cost of construction materials and labor is also relatively high due to limited supply. The Territory's political status as an insular area also means certain federal funding programs are not available. Finally, the fiscal condition of the Territorial government, marked by large deficits and flat revenues, virtually precludes any significant local support for housing programs.

The key barrier to affordable housing continues to be the production cost of housing units. High material costs affect both rental and home ownership housing. An additional barrier to affordable home ownership housing is the high cost of insurance in the Territory. Basic insurance rates in the Territory are sometimes triple in comparison to costs on the U.S. mainland. This has been attributed to the Territory's location in the Atlantic hurricane belt as well as in a high-risk seismic zone. Despite the fact that building standards in the Territory have been made more stringent in order to accommodate for the potential threat of hurricanes and earthquakes, the insurance rates continue to be extremely prohibitive. In the case of home ownership, insurance typically adds approximately $260.00 to the monthly cost of the unit.

The limited income of Virgin Islands residents also restricts affordability. Further, there is a dominant preference among Virgin Islanders for single-family dwellings. Thus, the production of affordable housing becomes a major challenge for leaders and other policy makers.

Four years ago, the Territory conducted its first formal Analysis of Impediments (AI) to the furtherance of fair housing. The AI outlines the issues and barriers and discusses actions for overcoming those barriers. The AI is available to the public at the VIHFA's offices in each respective district.

HOME/AMERICAN DREAM DOWN PAYMENT INITIATIVE (ADDI)

Not Applicable. The Territory of the U.S. Virgin Islands does not receive funding under the American Dream Downpayment Initiative and thus, does not operate an ADDI Program.

PRIVATE AND PUBLIC FUNDS ANTICIPATED TO ADDRESS HOMELESS NEEDS AND PREVENT HOMELESSNESS

Beginning in the current year, the former Emergency Shelter Grants program has changed to the Emergency Solutions Grant in accordance with the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act). The change in the program's name reflects the shift in the program's emphasis from addressing the needs of homeless persons in emergency or transitional shelters to assisting persons to quickly regain stability in permanent housing after experiencing a housing crisis and/or actual homelessness. In accordance with the program regulations, no more than 60% of the jurisdiction's allocation may be dedicated to homeless assistance activities. In this Action Plan year, $69,647 of the FY 2012 ESG allocation is being sub-granted to support various projects that serve to provide homeless assistance while $37,325.00 is being budgeted for homelessness prevention/rapid re-housing assistance. In addition, the sum of $94,407.20 from FY 2011 and FY 2012 funds is also available for homelessness prevention assistance.

Homelessness prevention assistance will be provided to those persons who are "at-risk of homelessness" as defined by HUD while rapid re-housing assistance will be provided to persons who meet the federal definition of "homeless". Funds for homelessness prevention/rapid re-housing assistance may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance. In the case of homelessness prevention, the assistance is designed to help the program client regain stability in their current permanent housing or to move into other permanent housing and achieve stability there. In the case of rapid re-housing assistance, the goal is to help the homeless individual/family move as quickly as possible into permanent housing and achieve stability in that housing. In light of the current economic recession gripping the Territory in the wake of the recent closure of the HOVENSA refinery, it is anticipated that there will be an increase in the number of households threatened with homelessness due to the loss of employment by the primary income-earner in the household. The availability of ESG funds of $128,413.20 (comprised of FY 2011 second allocation funds, FY 2012 funds and FY 2013 funds) is expected to enable the provision of homeless prevention assistance and the ancillary housing relocation and stabilization services for up to twenty (20) households.

The FY 2013 ESG funds for homeless assistance will support projects that include operations and essential services for the residents of 1 shelter and 2 transitional housing facilities on St. Croix. In addition, the sum of $3,720 will also be made available to assist two subrecipients defray the cost of contributing data to the Homeless Management Information System (HMIS).

In the current year, CDBG funds are being allocated to support the second phase of the construction of a facility on St. Croix that will serve as a soup kitchen and outreach center while also providing ten (10) units of transitional housing for persons moving out of homelessness.

Several organizations will also receive funding under the Continuum of Care Grant – which funds will also be available to prevent homelessness. Methodist Training Outreach Center's HMIS and the Department of Human Services' Permanent Housing projects were funded for new grants of $96,560 and $35,952 respectively. MTOC Supportive Housing (a renewal project) was also funded in the amount of $171,560.

Additional matching funds toward any projects submitted for funding under the Continuum of Care grant are expected from the Department of Human Services and Department of Health - Division of Mental Health.

HOW THE ACTION PLAN ADDRESSESS HOMELESSNESS AND OVERCOMES OBSTACLES TO MEETING NEEDS

One of the major obstacles to ending homelessness is the lack of key services and transitional housing to assist the homeless back to self-sufficiency. In the current Action Plan, a total of $69,647.40 in ESG funds is allocated to three projects designed to address some of the major needs of the strategic plan included in Objective #5 (" programs and activities to assist the homeless to become self-sufficient…."). The Village/V.I. Partners in Recovery and St. Croix Mission Outreach will receive funds to assist with the operation of shelters. In addition to the housing to be developed under these programs, services to be provided include assessment, essential services, and case management. In the current Action Plan, a total of $282,500.00 of CDBG funds, in addition to the $69,647 in ESG funds, is allocated for homeless services and transitional housing needs.

Previously, the Territory's effort to address homelessness had been bolstered by the funding available under the Homelessness Prevention and Rapid Re-Housing Program (HPRP) – an ARRA initiative. The Territory had been awarded the sum of $775,978 of which $555,225 was utilized for financial assistance related to the prevention of homelessness and $112,515 was used for housing relocation and stabilization services including, but not limited to case management, outreach, housing search and placement, and legal services. The HPRP program expired on July 16, 2012; therefore, this funding source is no longer available to the Territory; however, homelessness prevention is an eligible activity under the Emergency Solutions Grant. ESG funds in the amount of $47,907.20, $46,500, were set aside in the 2011 and 2012 Action Plan Years, for homeless prevention services. The current Action Plan allocates $34,006 for homeless prevention assistance.

HOW THE ACTION PLAN ADDRESSES CHRONIC HOMELESSNESS AND OVERCOMES OBSTACLES TO MEETING NEEDS

Experience has shown that the chronic homeless often resist the efforts of our homeless services providers to provide other than the most basic services. Strong outreach services are a critical first step in assisting this homeless population. On-going outreach services are intended to reach the chronic homeless to bring them into the homeless care system. The chronic homeless are also major users of the soup kitchens supported with ESG funds from prior years which will allow them to continue activities in 2013-14. These outreach, feeding and operations support services will also be used to identify and assist chronic homeless persons to move into the new chronic homeless housing projects to be developed by Catholic Charities and Hearts in Service Association.

DESCRIPTION OF HOMELESSNESS PREVENTION ACTIVITIES

The two primary ingredients for preventing individuals from falling into homelessness are improved self-sufficiency and housing stability. Several Program Year 2013-14 CDBG and ESG projects will fund projects aimed at providing affordable housing to persons who are at risk of becoming homeless.

Homelessness prevention assistance will be provided to those persons who are "at-risk of homelessness" as defined by HUD while rapid re-housing assistance will be provided to persons who meet the federal definition of "homeless". Funds for homelessness prevention/rapid re-housing assistance may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance. In the case of homelessness prevention, the assistance is designed to help the program client regain stability in their current permanent housing or to move into other permanent housing and achieve stability there. In the case of rapid re-housing assistance, the goal is to help the homeless individual/family move as quickly as possible into permanent housing and achieve stability in that housing.

Under the Emergency Solutions Grants (ESG) program, funds may be used to provide payments on behalf of participants to landlords, utility companies, and other third parties for costs associated with rental application fees, security deposits equal to no more than one month's rent, utility payments for electricity and/or potable water. The Territory has chosen to limit its program to tenant-based rental assistance only. The assistance may be short-term rental assistance, medium-term rental assistance, payment for up to six months of rental arrearage, or any combination of the above. In accordance with the ESG regulations, program participants may receive up to 24 months of rental assistance during any 3-year period. In order to remain eligible for assistance under the ESG Program, individuals or families must have annual household income that does not exceed (i.e., is at or below) 30% of the area median income, as adjusted for the household size and must also lack sufficient resources and support networks to remain housed without ESG assistance. Aside from these limits established by the program regulations, no other limits have been established by the Territory relative to maximum amounts or percentage of rental assistance, maximum number of months, or maximum number of times that a program participant may received rental assistance.

Where a client is assisted to move to a new residence (whether under homelessness prevention or rapid re-housing assistance), ESG funds may be used to pay rental application fees, security deposit, and first month's rent at move-in. Where rapid re-housing assistance is being provided, the Territory's ESG Program will also approve payment of utility deposits, if necessary, to ensure that the participant is able to secure electrical and/or potable water service.

Under the Territory's ESG Program, homelessness prevention funds may also be used to pay the following service cost components relative to housing relocation and stabilization: housing search and placement and also housing stability case management. Credit repair assistance, in the form of structured credit counseling may be funded, as needed. VIHFA offers budget and credit counseling as part of its normal portfolio of services; as such, service providers will be able to refer participants who have been identified as needing those services to VIHFA. If the VIHFA is successful in obtaining a federal grant to defray the cost of provision of credit counseling services to the community, the ESG participants will be receive the counseling at no cost to the program. In the absence of grant funding for the counseling, the cost of the counseling will be based on a standard cost-per-client formula.

The key housing search and placement and also housing stability case management services are as follows: intake services/activities necessary to assist program participants in locating, obtaining, or retaining suitable permanent housing and case management activities (counseling, coordinating and securing benefits; conducting recertifications/re-evaluations) which result in program participants achieving permanent housing stability. The component services of intake include conducting the initial evaluation of the client to include verifying and documenting eligibility. The component services of case management include developing an individualized housing and service plan; coordinating referrals and services and assisting the participant to secure benefits, as appropriate; and monitoring and evaluating the participant's progress toward achieving the milestones of the housing stability plan. In accordance with the regulations, housing stability case management can be provided to program participants for a maximum of 24 months during the period that the participant is living in permanent housing.

DEVELOPMENT OF IMPROVED DISCHARGE PLANNING POLICIES

Among the responsibilities of local homeless planning organizations is to work toward the reduction of homelessness caused by unplanned releases from public institutions. The Interagency Council for the Homeless' Discharge Planning Committee has taken this responsibility and has been working toward improving planning with local institutions to reduce this possibility with respect to releases from medical health care facilities, mental hospitals, and jails as well as from foster care. The following summarizes some of those efforts:

- A protocol for discharge procedures is under development with the Interagency Council, MTOC and the two major hospitals (Juan F. Luis Hospital and the Schneider Regional Medical Center). The plan will includes a housing component with case workers and patient advocates working together to assist persons who are likely to fall into homelessness.

- Working with the VI Commissioner of Health, the Committee is designing a protocol that would prevent a person from being discharged from an in-patient facility to an emergency shelter. Instead, the goal is to locate the person in permanent housing adequate for their needs. Case Managers will assist the person with finding housing and will work with the client and community resources to find appropriate housing and services.

- The Committee has a developed a draft protocol with the Bureau of Corrections that includes conducting a needs assessment prior to release. The draft protocol calls for Case Managers to work with the inmate while still incarcerated try to identify housing resources in the community. The Case Managers will advise the MTOC, as the lead agency of the Continuum, of any instances where they have been unable to find housing.

- The Discharge Planning Committee, HMIS Administrator and the Commissioner of Human Services have implemented a MOU providing that a written plan of action shall be completed on the youth preparing to leave Foster Care. The plan includes, among other items, the youth's anticipated living arrangements, services to be provided by the VI Government, a schedule for meeting with case workers, and a procedure for foster care case workers to advise the MTOC of youth for whom housing has not been identified prior to their release.

EMERGENCY SOLUTIONS GRANTS (ESG)

(States only) Describe the process for awarding grants to State recipients, and a description of how the allocation will be made available to units of local government.
Not Applicable.

PRIORITY NON-HOUSING COMMUNITY DEVELOPMENT NEEDS

The specific priority non-housing community development objectives are detailed in the Consolidated Plan; Table 2B in the Appendix section of the Plan provides additional details regarding community development needs.

Among the many priorities over the next five years will be: community development and capital improvement activities that evidence the greatest new employment or retention of low-income persons; activities promoting aesthetically pleasing, suitable and sustainable environments throughout the Territory; neighborhood-driven community development projects that integrate "green space," public service facilities, and an appreciation of the character of the neighborhoods; and partnered housing and community development activities in order to assure the sustainability of a viable urban community.

A wide variety of activities will be conducted to achieve these goals. CDBG funds will be used for public infrastructure and public facilities needs as well as to support the continued revitalization of blighted neighborhood areas.

SHORT AND LONG TERM COMMUNITY DEVELOPMENT OBJECTIVES

The specific quantified short-term and long-term objectives under the development of a suitable living environment and expanding economic opportunities (along with a description of actions to be taken in PY 2013) follow:

- Recognize the true potential of community-based organizations in carrying out the strategies necessary to create an improved living environment in neighborhoods. Community development corporations, faith-based institutions and human service agencies should be empowered to increasingly play significant roles in implementing Consolidated Plan strategies. At the same time, these organizations must become responsible for performance-based accountability as sub-recipients of federal funds.
- Recruit private sector partners to make meaningful contributions to the promotion of community and economic development. The Territory should be prepared to weave creative, fair, balanced neighborhood-sensitive incentives for private sector investment in such development efforts. Challenge the private sector to leverage its resources to create opportunities for community development and economic development.
- Embrace the natural beauty and enhance the natural environment of the Virgin Islands through continuous master planning among citizens and stakeholders centered on removing slums and blight, environmental hazards.
- Expand, revitalize and preserve the community's public facilities and infrastructure serving primarily low and moderate income neighborhoods and programs assisting low and moderate income persons
- Remove potential and imminent threats to health and safety
- Support economic development activities that retain jobs or provide improved job opportunities for lower income persons
- Provide youth with opportunities for a structured environment to reinforce their education and the development of positive behaviors to reduce juvenile delinquency and school drop-outs.

HOW FUNDS WILL BE USED TO ACHIEVE COMMUNITY DEVELOPMENT GOALS

For Program Year 2013-14, CDBG funds in the amount of $220,000 shall be used to rehabilitate or construct community centers and recreational facilities. CDBG funds in the amount of $971,070 will be used to rehabilitate or construct other public facilities – such as soup kitchen/outreach centers, facilities serving special needs populations and transitional housing facilities.

OBSTACLES

Among the obstacles that will need to be overcome are:

- The magnitude of the community development needs across the Territory and the limited funds available to meet them.
- The poor condition of many of the infrastructure and facilities serving communities.

PROPOSED ACCOMPLISHMENTS (SHORT AND LONG) AND MEASUREMENT OF PERFORMANCE

The proposed accomplishments to be achieved in implementing these strategies and objectives are:

- 3 newly constructed community facilities – 1 new projects and 2 continuation project - will provide an improved living environment or improved services to low- and moderate-income households in year three and 27 projects will be constructed within five years.
- 4 community facilities -2 new projects and 2 continuation project - will be rehabilitated to provide an improved living environment or improved services to low- and moderate-income households in year three and 10 will be rehabilitated within five years.
- 2 economic projects will be developed within five years retaining or expanding jobs for 50 low-and moderate-income persons.

ANTI-POVERTY STRATEGY

Several objectives of the Consolidated Plan make up a large part of the Virgin Islands' strategies to reduce poverty. The following form the core of the anti-poverty strategy:

- Support economic development activities that retain jobs or create improved job opportunities for lower income persons.

- Support programs and activities assisting the homeless to become as self-sufficient as possible through new or improved housing and facilities, supportive services and preventative services, with particular emphasis on assistance to chronic homeless persons and to persons with mental illness and addiction to substances.

- Provide youth with opportunities for a structured environment to reinforce their education and development of positive behaviors in order to reduce juvenile delinquency and school drop-outs.

- Continue to support and expand services for special needs populations including (among others) youth, the elderly, domestic violence victims, physically and mentally challenged, chronic substance abusers and persons with the AIDS virus, with special emphasis for persons suffering from substance abuse or mental illness.

- Assist programs that support strong, healthy families and reduce child abuse and domestic violence.

In addition, increased coordination of programs and services with the Continuum of Care and the Department of Human Services will be essential to assure that activities under the Plan have a maximum impact. Families living in poverty will be assisted with their basic needs by expanding outreach to persons at risk and in crisis. To reduce the incidence of poverty, we will utilize the Continuum of Care approach to increase the self-sufficiency of persons through a variety of assistance and will utilize the CDBG program to provide key services and supports to persons in need. Also, by focusing on youth activities and job training programs, we will be able to provide them with healthy outlets and supportive environments, assisting them to break out of generations of poverty. The extent to which these efforts will reduce poverty will be indicated through the performance measures of our plan objectives.

A number of existing housing initiatives also tie into the antipoverty strategy. The use of HOME funds for home ownership assistance creates opportunities for lower-income households to become home owners. Given that HOME funds for home ownership assistance are not limited to specific projects or areas, assisted households can purchase units in any neighborhood across the Territory. This enables these lower-income families to move into mixed-income neighborhoods. The successful collaboration between VIHFA's HOME Program and USDA Rural Development's Direct Lending Program has enabled many low-income households who were previously rent-burdened to achieve home ownership with affordable payments. The Family Self-Sufficiency Program and the Housing Choice Voucher (f/k/a Section 8) Home Ownership program, both of which are administered locally by the V.I. Housing Authority (the local PHA), also have the goal of assisting lower-income households in achieving home ownership. The Family Self-Sufficiency Program helps families save toward down payment and closing cost expenses, while the Housing Choice Voucher home ownership program subsidizes the family's monthly housing payment for up to ten years. Increasing housing choice for lower-income households has long-term positive economic effects; owning a home enables the household to build equity, which can be parlayed into greater purchasing power and thus moving families away from poverty.

NON-HOMELESS SPECIAL NEEDS PRIORITIES AND SPECIFIC OBJECTIVES

PRIORITY ACTIVITIES FOR SPECIAL NEEDS POPULATIONS

Among the many priorities for special needs populations are those of three specific non-homeless populations that will be a major focus of activities over the next five years.

- Our youth need support and activities to assist them to mature and to support healthy families. Juvenile delinquency, broken families and a lack of productive activity by youth in the Territory are the primary basis for this priority. Youth recreation facilities and youth services are the priority activities.

- Seriously mentally ill persons are unable to cope with the social environment due to their disability and need both housing and supportive services to stabilize their lives. The significant number of mentally ill individuals in the Territory requires a major effort to impact their needs. In addition, mentally ill are often also affected by addiction.

- Persons with substance abuse addiction are in need of services, treatment, transitional housing and, in cases where mental illness is also present, permanent housing with supportive services.

SPECIFIC SPECIAL NEEDS OBJECTIVES

- Continue to support and expand services for special needs populations including (among others) youth, the elderly, domestic violence victims, physically and mentally challenged, chronic substance abusers and persons with the AIDS virus, with particular emphasis on assistance to persons with mental illness and addiction to substances.
- Provide youth with opportunities for a structured environment to reinforce their education and development of positive behaviors in order to reduce juvenile delinquency and school drop-outs. Provide adequate facilities for youth recreation and education.
- Assist programs that support strong, healthy families and reduce child abuse and domestic violence.

HOW FUNDS WILL BE USED TO ACHIEVE SPECIAL NEEDS GOALS

CDBG funds will be used to provide services and facilities that assist special needs populations. In the 2013-14 program year, ESG funds will be used to help prevent some of the special needs populations from becoming homeless and will assist those special needs populations that become homeless with services and temporary housing. Funds will also be used to provide those "at-risk of homelessness" with rental assistance to help the program client regain stability in their current permanent housing or to move into other permanent housing and achieve stability there.

CDBG funds will be used to build and renovate facilities and provide critical services for these special needs populations. CDBG funds will be used to provide services for persons who are victims of substance abuse.

It is estimated that at least two (2) units assisted in the owner-occupied rehabilitation program during the 2013-14 program year will serve elderly and/or disabled populations.

OBSTACLES

Among the obstacles that will need to be overcome are:

- The high cost of providing services for the mentally ill and substance abusing populations.
- The need for developing new housing facilities for the disabled. Housing development is costly and the development process is lengthy.
- The limited amount of funding available for public services, particularly as it affects our efforts to assist the youth. Both CDBG and HUD McKinney-Vento Programs have limitations on the amount of grant funds that can be used for services activities. Due to the fact that many of the existing non-profit groups serve only a specific or immediate geographic area, it becomes necessary to fund many smaller projects, which often duplicate programs/services with the only difference being the area served. To some extent, this taxes the program's funding and limits the overall effectiveness/impact of the program.
- It is anticipated that there will be a total of two facilities serving special needs populations that are improved or constructed within five years

PROPOSED ACCOMPLISHMENTS (SHORT AND LONG) AND MEASUREMENT OF PERFORMANCE

The proposed accomplishments to be achieved in implementing these strategies and objectives are:

- 410 youth from low- and moderate-income will benefit from improved education, healthy recreation or other services provided through after school programs and other public services programs in year three and 2,000 (duplicated) youth will benefit from after school programs within five years.
- 93 persons suffering from substance addiction or mental illness will have had their lives stabilized through housing or services in year three and 400 within five years.
- There will be a total of two facilities serving special needs populations that are improved or constructed within five years.

HOUSING OPPORTUNITIES FOR PEOPLE WITH AIDS

The Territory of the U.S. Virgin Islands does not receive an annual allocation under HOPWA; however, at least one local non-profit organization (VICARE) has previously obtained HOPWA grants via direct application to HUD. The initial grant was awarded in 2004 for a three-year period; subsequently, a one-year extension was obtained in 2007. VICARE applied for a renewal of its HOPWA funding in 2008 and was awarded $1,373,406 under the HOPWA award for the period FY 2008-2011. VICARE was approved for renewal funding of $1,373,400 for the period covering Fiscal Years 2011-2014; however, as of July 2013, those funds have been completely exhausted.

Although based on St. Croix, VICARE works in collaboration with another local non-profit entity, Methodist Training & Outreach Center, to provide HOPWA services in the St. Thomas/St. John district. In partnership with MTOC, VICARE provides Short-term Rent, Mortgage, Utility Assistance (STRMU), permanent housing services, and support services. VICARE and MTOC provide linkages to community services to assist clients in accessing support services – such as health care. Case managers provide appropriate referrals to increase clients' access to medical care and to address barriers and special needs. VICARE and MTOC have established collaborative relationships with service providers and have in place various memoranda of understanding with local government and community-based organizations.

The accomplishment data for program year 2012-13 are not yet available; however, in program year 2011-2012, the HOPWA program successfully served 25 Master Leasing units and 14 STRMU households for a total of 38 unduplicated households served. A total of 74 persons benefited from HOPWA housing assistance. Sixty-eight percent (68%) of the households had children under 18 years old and eighteen percent (18%) had beneficiaries 51 years and older. Fifty percent (50%) of the households were in the extremely low income category – i.e., household income at or below 30% of area median income.

2013-2014 PROGRAM YEAR PROJECT LISTING

The following is a listing of the projects to be undertaken during the fourth Action Year of the 2010 – 2014 Consolidated Plan period:

Community Development Block Grant Program

1.	St. John Dial-A-Ride Program	STJ	$ 30,000.00
2.	Wesley Methodist Church After-school Program	STT	$ 35,000.00
3.	St. Andrews Sunny Saints After-School Program	STT	$ 32,000.00
4.	VIRCD Disabled Training After -School Program	STT	$ 32,500.00
5.	Holy Ghost Deliverance After School Program	STX	$ 37,000.40
6.	Mon Bijou After-School Program	STX	$ 33,000.00
7.	Women with Focus Nutrition After-School Program	STX	$ 20,596.26
8.	STX Swimming Association Learn-to-Swim Program	STX	$ 10,000.00
9.	The Garden School After-School Program	STX	$ 15,000.00
10.	Bordeaux Farmers Market – Phase III	STT	$268,892.80
11.	Family Resource Center (FRC) Transitional Housing Rehabilitation	STT	$395,000.00
12.	East Street Crisis Center Reconstruction	STX	$110,648.00
13.	CCVI Transitional Housing/Outreach Center	STX	$318,350.00
14.	Mon Bijou Community Center Construction	STX	$248,825.14
15.	CDBG Program Administration		$396,696.40

Emergency Solutions Grant Program

1.	VI Partners in Recovery [VIPIR] (Emergency Shelter: Operations & Essential Svcs)	STX	$ 32,647.40
2.	St. Croix Mission Outreach [STXMO] (Emergency Shelter: Operations & Essential Svcs)	STX	$ 25,000.00
3.	Frederiksted Baptist Church [FBC] (Emergency Shelter: Operations & Essential Svcs)	STX	$ 12,000.00
4.	St. Croix Mission Outreach (Homelessness Prevention)	STX	$ 34,006.60
5.	St. Croix Mission Outreach (HMIS)	STX	$ 3,720.00
6.	ESG Program Administration		$ 8,705.00

HOME Program

30.	HOME Ownership Assistance Fund	$543,988.00
31.	HOME Owner-Occupied Rehabilitation Assistance Fund	$90,000.00*
32.	HOME Program Administration	$95,995.00

* FUNDED SOLELY BY PROGRAM INCOME.

ATTACHMENT A: HOME PROGRAM NARRATIVE

The following narrative provides additional information about the HOME Program component of the Annual Action Plan for the insular Territory of the United States Virgin Islands for the FY 2013 Program Year (i.e., October 1, 2013 – September 30, 2014). The Virgin Islands Housing Finance Authority (the "Authority") will administer the HOME formula allocation for the U.S. Virgin Islands.

The total Fiscal Year 2012 HOME formula allocation for the U.S. Virgin Islands is **$639,983**. In addition, the VIHFA anticipates the receipt of approximately $90,000 in program income during the period.

The attached chart provides additional information about the proposed use of the Fiscal Year 2013 HOME Program funds.

PROPOSED ACTIVITY FUNDING (2013-14 Action Plan Year)

Funding Activity		***Funds***	***Number of units/households Assisted***	***Tenure Type***
Home Ownership Assistance Fund	Downpayment, Closing Cost Assistance	$543,988.	Est. @ 2	Home Ownership
	Mortgage Buydown Assistance		Est. @ 5	
OWNER-OCCUPIED REHABILITATION		$0	Est. @ 0	Home Ownership
Grant Administration		$95,995.		
TOTAL FY '13 ALLOCATION		**$639,983.**	Est. @ 7	Home Ownership
OWNER-OCCUPIED REHABILITATION		$90,000[2]	Est. @ 2	Home Ownership
TOTAL FY' 13 FUNDS (ALLOCATION + PROG. INCOME)		$729,983.	Est. @ 9	Home Ownership

[2] This is the estimated amount of program income that will be received during the Action Plan Year.

PROPOSED ACTIVITY FUNDING (2013-14 Action Plan Year)

The proposed distribution of FY 2012 HOME funds is as follows:

Home Ownership Assistance Fund	$543,988	
Owner-occupied Rehabilitation	$90,000*	*Funded from program income
Program Administration	$95,995	

Home Ownership Assistance Fund **($543,988)**

The largest portion of the HOME allocation will be utilized to address a major objective of the Consolidated Plan relative to the Territory's housing strategy - that is, expanding home ownership opportunities for low- and moderate-income households and promoting sustainable neighborhoods through production of new and/or improved housing and homebuyer programs.

$543,988 from the FY '13 HOME allocation will be used to provide home ownership assistance to families who are eligible under the HOME Program. The monies will be used to finance projects eligible under the HOME Program.

A. Downpayment /Mortgage Buydown/Closing Cost Assistance **($543,988)**

In order to fulfill its mandate of creating an adequate supply of affordable residential housing to meet the needs of low- and moderate-income families, the Territory has outlined its priorities as follows: (1) the need to direct available resources to satisfy the demand for home ownership and (2) the need for downpayment and closing cost assistance for low-income homebuyers. HOME funds will be used to finance activities aimed at expanding the supply of affordable home ownership units and which are consistent with eligible home buyer activities as specified in the HOME Program's requirements.

The main focus will be in using a HOME loan or grant to create opportunities for HOME-eligible applicants to buy units in affordable housing developments or identify other units within the community for purchase. The assistance will be in the form of grants or low-interest loans with no interest, interest only, and/or deferred payments. The Territory will also strive to create opportunities where HOME funds can be utilized in partnership with other programs or funds to increase the supply of affordable housing units. Thus, HOME funds will be made available to any HOME-eligible candidate, developer, or unit of government, particularly those which share the Authority's goal of creating mixed income communities that integrate both HOME-eligible applicants and other families who qualify under the Affordable Housing Program. The Home Ownership Assistance fund will be available to support new housing developments by private and/or public developers as well as individual homebuyer projects. To provide greatest flexibility to public and private developers, the Authority will consider any project that encompasses activities which are eligible for home ownership as outlined in the HOME Final Rule.

The need for closing cost assistance programs has long been recognized and continues to be an area of concern. Even among households which are able to afford the monthly payment on a home, many are not able to save extra money toward closing costs. The Authority will offer small grants (not to exceed $12,000) to assist home buyers to meet the upfront costs of home ownership.

The Home Ownership Assistance Program will make available grants, low-interest loans with no interest, interest only, and/or deferred payments; all loans will be subordinate to first lien lender financing. The use of a loan structure will have the added benefit of recycling HOME dollars as program income which will service subsequent HOME-eligible projects while the below-market interest rates and preferred terms will ensure that the assistance is affordable for the homebuyer.

All funding agreements will include long-term affordability provisions as required by the HOME Program guidelines. The Authority has chosen to incorporate recapture provisions. The recapture guidelines focus on the return of capital. There are no restrictions as to whom the subsequent buyer may be, and the property can be sold at the prevailing market rate. This is ideal for mixed-income community revitalization, as the properties are not deemed affordable housing beyond the initial acquisition and/or rehabilitation. The recapture provisions which will attach to the rehabilitation loans are outlined in Attachment A.

Where recapture provisions are not applicable, the program design includes resale guidelines which are designed to ensure the long-term affordability of the unit developed. These resale guidelines allowed the Authority to regulate the transfer of property for an extended period of time and required that the subsequent buyer be eligible under the HOME Program's income guidelines. The resale guidelines are included here as Attachment B.

Owner-occupied Rehabilitation **($90,000)**

The Territory will utilize $90,000 of its HOME Program Income proceeds to make funds available for rehabilitation of owner-occupied units. In light of the sharp reduction in its annual allocation this year, no funds from its formula allocation will be made available this activity. Currently, there are only two programs in the Territory which provide assistance to existing homeowners; program eligibility is limited and the maximum assistance amount is limited to $3,000 in the case of one program and $7,500.00 in the other. Although it is recognized that the proposed amount will likely fund a maximum of four cases, the Territory believes that this use of funds will serve an unmet need - specifically, providing improved housing for low income owner-households. Priority will be given to cases which involved handicap accessibility modifications and /or correction of major Housing Quality Standards deficiencies.

The Owner-occupied Rehabilitation Assistance Program will make available grants, and, where possible, low-interest loans with no interest, interest only, and/or deferred payments. The use of a loan structure will have the added benefit of recycling program dollars as program income which will service subsequent HOME-eligible projects. The exact structure of the assistance will be determined on a case-by-case basis depending on the affordability of the particular applicant. The Territory also strives to create opportunities where HOME funds can be utilized in partnership with other programs or funds to address cases where the scope of the household's need exceeds the limits of those programs. It is anticipated that, by leveraging HOME funds with these other resources, the number of households that will be assisted can be increased.

All funding agreements will include long-term affordability provisions as required by the HOME Program guidelines.

Program Administration **($95,995)**

The Territory will reserve $95,995 of the FY 2013 grant allocation for administrative purposes. This will defray expenses associated with program coordination and implementation to include the disbursement of HOME funds, program supervision, compliance monitoring, grant documentation, and professional services and other administrative costs associated with the Consolidated Planning process.

Additional administrative activities will include program income monitoring and servicing as well as additional training and technical assistance in areas such as financial administration, compliance monitoring review procedures, and environmental review procedures.

Timetable for Implementation

The time frame for implementation of the above-listed activities is as follows:

> The vast majority of the home ownership assistance projects are individual projects which come about through referrals from various lenders. These individual home owner assistance projects typically achieve completion within nine months after funds have been committed.
>
> With respect to the owner-occupied rehabilitation activity, it is anticipated that these funds will be committed upon the approval of this Annual Action Plan and projects will be completed within another three months thereafter.

HOME PROGRAM RECAPTURE PROVISIONS

Pursuant to the requirements set forth at Section 215 of the HOME statute and promulgated at 24 CFR 92.254 of the HOME rule, in order for HOME-assisted home ownership housing to qualify as affordable housing it must meet affordability requirements for a specific period of time as determined by the amount of assistance provided. In addition, to ensure affordability, the participating jurisdiction is required to impose either resale or recapture requirements - which shall be outlined in a written agreement with the assisted homebuyer and enforced via lien, deed restrictions, or covenants running with the land.

The Virgin Islands Housing Finance Authority ("VIHFA"), acting as the participating jurisdiction of the U.S. Virgin Islands, hereby adopts the following recapture provisions that comply with the HOME statutory and regulatory requirements. The recapture provisions are triggered by any transfer of title, either voluntary or involuntary, during the established affordability period.
Under the recapture option, the original homebuyer is permitted to sell the property to any willing buyer during the period affordability while the participating jurisdiction recaptures from the net proceeds of the sale all or a portion of the direct HOME subsidy assistance provided to the original homebuyer. **Under no circumstances shall the amount recaptured by the participating jurisdiction exceed the available net proceeds.**

Affordability period – The specific period of time for which a HOME-assisted unit must meet be maintained as the principal residence of a qualified, low-income family. For the purpose of its recapture provisions, the participating jurisdiction of the U.S. Virgin Islands has elected to establish the affordability period as twenty years or the term of the primary financing (mortgage) secured by the homebuyer to purchase the assisted unit, whichever is greater.

Direct HOME subsidy – The amount of HOME assistance, to include amounts provided from program income, that enabled the homebuyer to purchase the unit such as downpayment or closing cost assistance, interest subsidies, or mortgage buydowns provided directly to the homebuyer or on the homebuyer's behalf. If HOME funds are used for the cost of developing the assisted property, direct HOME subsidy also includes the difference between the fair market value and the actual purchase price.

Involuntary transfer – A transfer of title from the original assisted homebuyer to another party through actions of law such as foreclosure proceedings

Net proceeds – The sales price less any superior loan repayments (other than HOME funds) and resale expenses (i.e., seller's closing costs). The participating jurisdiction can never recover an amount that is more than the net proceeds of the sale.

Voluntary transfer – A transfer of title from the original assisted homebuyer to another party at the will of the assisted homebuyer - e.g., resale, deed of gift, etc.

Applicability

The recapture provisions herein shall apply where HOME funds are employed to assist home ownership housing to qualify as affordable housing either by providing financial assistance such as downpayment or closing cost assistance, interest subsidies, or mortgage buydowns that enables the homebuyer to make the purchase or by providing monies as a development subsidy which then enables the unit to be sold at a price below fair market value. **Note:** Recapture provisions shall not apply when HOME funds are used only to subsidize the development cost of the HOME-assisted unit and the unit is sold at fair market value; in that case, resale provisions will be used.

Restrictions on Transfer

Under the recapture option, there is no requirement that the HOME-assisted property is sold/transferred to another low-income homebuyer upon either voluntary or involuntary transfer during the affordability period. Instead, the original HOME-assisted homebuyer will be free to sell the property to any willing buyer at whatever price the market will bear. Upon either voluntary or involuntary transfer during the affordability period, the participating jurisdiction shall recapture, from available net proceeds, an amount which is defined below.

Enforcement

The VIHFA will utilize its HOME Programmatic Agreement as the initial mechanism to outline the recapture provisions. The HOME Programmatic Agreement, which is executed between the participating jurisdiction and the assisted homebuyer prior to the commitment of HOME funds for the activity, contains language which outlines all the applicable HOME requirements to include the affordability period, the principal residency requirement, the parameters for determination of the amount subject to recapture, and the conditions which trigger recapture. Although the participating jurisdiction does not generally record the HOME Programmatic Agreement, it is a valid legal document which can be recorded, if necessary, and which creates a legal obligation for the VIHFA and the assisted homebuyer.

The VIHFA will utilize mortgage documents as the primary mechanism for enforcement of the recapture provisions. At closing, the homebuyer shall execute a mortgage in the amount of the total HOME investment in the property. The mortgage shall delineate the portion of the HOME investment that is the direct subsidy subject to recapture. The mortgage document shall be recorded upon consummation of the closing transaction. The mortgage document creates a lien on the buyer and the property which lien shall only be subordinate to the primary mortgage executed for the acquisition of the property. The homebuyer will also be required to execute a promissory note for the amount subject to recapture; the note shall be identified as a "non-recourse" note which shall not be payable except in the event of a transfer of the property during the affordability period. The promissory note will include clear explanations of key definitions such as "superior loan", "resale expenses", "net proceeds of resale", and "homeowner's investment" and shall also outline the steps for calculating the amounts due to the homeowner and the HOME Program in the event of a resale.

Refinancing

The homebuyer shall be required to seek the consent of the VIHFA prior to refinancing the primary mortgage on the property. The homeowner shall submit copies of relevant documents which outline the reason for the refinancing, terms, current appraised value of unit, proposed distribution of refinancing proceeds for VIHFA's review. Where the refinancing is for the purpose of betterments to the property or to secure more favorable financing terms, VIHFA shall approve the refinancing and re-subordination of the Second Mortgage. VIHFA shall also approve where refinancing results in minimal cash out and VIHFA's position is not jeopardized.

Calculation of Recapture

Upon resale of the property, the homebuyer shall recover from net proceeds their entire investment (which is defined as the homeowner's contribution to downpayment and the cost of capital improvements made by the owner since purchase) before the participating jurisdiction recaptures the direct HOME subsidy. **The homeowner's investment shall be repaid in full before the participating jurisdiction recaptures any funds. If the net proceeds are insufficient to repay the homeowner's investment, the homeowner shall receive the available net proceeds and the participating jurisdiction shall not be responsible for any balance remaining.** The VIHFA recognizes that, if net proceeds are not sufficient to repay the homeowner's investment and the direct HOME subsidy, the participating jurisdiction may not be able to recapture the full amount of the direct HOME investment.

If there are excess proceeds remaining after repayment of the homeowner's investment and the direct HOME subsidy, the participating jurisdiction and the homeowner shall share the excess proceeds on a pro rata basis based upon the ratio of the direct HOME subsidy to the homebuyer's investment. The formula for calculating the distribution of the excess process shall be as shown below.

- To calculate the amount of excess proceeds to be returned to the participating jurisdiction:

$$\frac{\text{Direct HOME Subsidy}}{\text{Direct HOME Subsidy + Homeowner's Investment}} \times \text{Excess Proceeds} = \text{HOME Share}$$

- To calculate the amount of excess proceeds to be retained by the homeowner:

$$\frac{\text{Homeowner Investment}}{\text{Direct HOME Subsidy + Homeowner's Investment}} \times \text{Excess Proceeds} = \text{Homeowner Share}$$

HOME PROGRAM
RESALE RESTRICTIONS

Pursuant to the requirements set forth at Section 215 of the HOME statute and promulgated at 24 CFR 92.254 of the HOME rule, in order for HOME-assisted home ownership housing to qualify as affordable housing it must meet affordability requirements for a specific period of time as determined by the amount of assistance provided. In addition, to ensure affordability, the participating jurisdiction is required to impose either resale or recapture requirements - which shall be outlined in a written agreement with the assisted homebuyer and enforced via lien, deed restrictions, or covenants running with the land.

The Virgin Islands Housing Finance Authority ("VIHFA"), acting as the participating jurisdiction of the U.S. Virgin Islands, hereby adopts the following resale provisions that comply with the HOME statutory and regulatory requirements. The resale provisions are triggered by any transfer of title, either voluntary or involuntary, during the established affordability period.

Under the resale option, when the original homebuyer transfers the HOME-assisted property during the affordability period, the property must be sold to another low-income homebuyer who will use the property as their principal residence; further, the sales price must be affordable to a reasonable range of low-income buyers. One additional condition is that the resale price must provide the original homebuyer a fair return on investment.

Affordability period – The specific period of time for which a HOME-assisted unit must meet be maintained as the principal residence of a qualified, low-income family. For the purpose of its resale provisions, the participating jurisdiction of the U.S. Virgin Islands has elected to establish the affordability period as twenty years or the term of the primary financing (mortgage) secured by the homebuyer to purchase the assisted unit, whichever is greater.

Affordable to a reasonable range of low-income homebuyers – The maximum purchase price that would result in a 4-person household with income between 60 – 80% of the area median (AMI) paying no more than 35% of their monthly income as their fixed housing cost (i.e., PITI). The affordability determination will differ for St. Thomas/St. John versus St. Croix because the income limits differ in the two island districts.

Capital improvements **–** Renovations or upgrades to the HOME-assisted property undertaken by the assisted homeowner during the Affordability Period which are recognized as adding value to the property. For the purpose of establishing the basis for calculating fair return, capital improvements shall include any of the following:

- Addition of indoor living space (e.g., bedroom, bathroom, laundry)
- Addition of porch
- Floor replacement (e.g., installation of ceramic floor tiles)
- Kitchen renovation (e.g., re-design/expansion, installation of new cabinets and countertops)
- Bathroom renovation (e.g., re-design/expansion, installation of new fixture set or walk-in shower enclosure)
- Replacement of roof complete
- Replacement of windows throughout
- Central air-conditioning throughout
- Weatherproofing (i.e., permanently-mounted hurricane shutters throughout and permanently-installed generator) - at cost
- Energy-efficiency upgrades

For the purpose of establishing the basis for calculating fair return, the participating jurisdiction will value capital improvements based on the average increase in value attributable to the specific type of improvement. The participating jurisdiction will utilize value estimates provided by real estate appraisers knowledgeable in the local market.

Consumer Price Index (CPI) - The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. CPI data is published monthly by the Bureau of Labor Statistics.

Fair return on investment - A prescribed gain on the amount of the homeowner's original investment (i.e., downpayment paid from the homebuyer's personal resources) plus any investment in qualified capital improvements undertaken by the homebuyer since the provision of the HOME assistance. For the purpose of these resale provisions, the participating jurisdiction will utilize the percentage change in the Consumer Price Index (CPI) over the period of ownership as the index for determining fair return. **Under no circumstances shall the amount received by the homeowner exceed the sum of the original investment plus the calculated fair return.**

Involuntary transfer – A transfer of title from the original assisted homebuyer to another party through actions of law such as foreclosure proceedings

Net proceeds – The sales price less any superior loan repayments (other than HOME funds) and resale expenses (i.e., seller's closing costs).

Voluntary transfer – A transfer of title from the original assisted homebuyer to another party at the will of the assisted homebuyer - e.g., resale, deed of gift, etc.

Applicability

The resale provisions herein shall be triggered when a HOME-assisted homebuyer transfers the HOME-assisted property, either voluntarily or involuntarily, during the affordability period. The resale provisions herein shall apply when HOME funds are used only to subsidize the development cost of the HOME-assisted unit and the unit is sold at fair market value.

Note: Resale provisions shall not apply when HOME funds are used to provide subsidies such as downpayment or closing cost assistance, interest subsidies, or mortgage buydowns directly to the homebuyer (or on the homebuyer's behalf) to make the purchase affordable or as a development subsidy which then enables the unit to be sold at a price below fair market value; in those cases, recapture provisions shall apply instead.

Restrictions on Transfer

Under the resale option, when the original homebuyer transfers the HOME-assisted property during the affordability period, the property must be sold to another low-income homebuyer who will use the property as their principal residence; further, the sales price must be affordable to a reasonable range of low-income buyers. One additional condition is that the resale price must provide the original homebuyer a fair return on investment. Upon either voluntary or involuntary transfer during the affordability period, the homeowner shall receive a fair return on his investment from available net proceeds.

Calculation of Fair Return

Upon resale of the property, the homeowner shall receive a fair return on their entire investment (which is defined as the homeowner's contribution to downpayment and the cost of qualified capital improvements made by the owner since the provision of the HOME assistance).

The participating jurisdiction has elected to adopt the percentage change in the broadest and most comprehensive CPI (which is known as the All Items Consumer Price Index for All Urban Consumers [CPI-U]), over the period of ownership, as the standard index for calculating fair return on investment as required under the resale provisions.

- The formula for calculating the fair return on investment shall be as shown below:
  (Downpayment Paid + Cost of Qualified Capital Improvements) X CPI index = Fair Return

- The formula for calculating the total return to the homeowner at resale:
  Downpayment Paid at Purchase
  \+ Cost (value) of Qualified Capital Improvements
  \+ Fair Return
  = Total Return to Homeowner

Note: If the fair market value at sale is less than the original purchase price plus the value of the homeowner's investment, it is possible that the homeowner may not be able to receive the fair return amount (appreciation) or even any portion of the amount of the investment. The participating shall not have any obligation to the homeowner if this should occur.

Determination of resale price

The participating jurisdiction shall ensure that the resale price provides a fair return to the original homeowner while ensuring that the property is affordable to the stated target population of households with incomes between 60 – 80% of area median income.

The participating jurisdiction has chosen to calculate the maximum monthly loan payment that would result in the target population (a 4-person household with income between 60 – 80% of AMI) paying no more than 35% of their monthly income as their fixed housing cost (i.e., PITI). The participating jurisdiction will utilize the current HUD income limit chart to identify the 60% and 80% income limits, respectively. The income limit figures will then be divided by 12 to reach gross monthly income; the monthly income figures will be multiplied by 35% in order to determine the maximum PITI. The figures at either end of the range will be averaged in order to determine the overall maximum PITI. ***Note:*** The affordability determination will differ for St. Thomas/St. John versus St. Croix because the income limits differ across the two island districts.

The maximum PITI figure will be reduced by an allowance of 30% for real property taxes and insurance to determine the maximum principal and interest payment that will be deemed "affordable". Recognizing the range of interest rates that could be applied depending on the lender and the specific loan product offered to the client and recognizing the significant impact of the interest rate on the loan payment, the participating jurisdiction will utilize a loan calculation table to determine the loan principal that correlates to the P&I payment.

Sample calculation:

St. Croix	17400	19920	22380	24840	26880	28860	30840	32820
	23200	26500	29800	33100	35750	38400	41050	43700
St. Thms/	24060	27480	30900	34320	37080	39840	42600	45360
St. John	32050	36600	41200	45750	49450	53100	56750	60400

STX:

60% annual limit = $24,840/12 = $2,070/month
X 35% (= max. housing payment %)
$724.50 (Maximum PITI @ 60% AMI)

80% annual limit = $33,100/12 = $2,758.33/month
X 35% (= max. housing payment %)
$965.42 (Maximum PITI @ 80% AMI)

Maximum PITI = $845.00 ***=@AVG [$724.50 + $965.42]***

After allowance of 32% for property tax and insurance (TI), the maximum P&I payment = $575.00

Using these figures, the maximum price affordable to the target clientele has been established at $180,000. (Note: This figure is derived using the lowest interest rate possible (i.e., 1%); however, it is likely that this rate is not likely to be typical of most financing packages.

The VIHFA recognizes that, in some cases, it may have to invest additional HOME funds in order to achieve the dual objectives of provision of a fair return to the original homeowner and ensuring affordability for the subsequent homebuyer. Before provision of any additional HOME funds, the participating jurisdiction shall ensure that the total of the original HOME investment plus any proposed additional investment will not exceed the applicable maximum per unit subsidy limit. The participating jurisdiction reserves the right to extend the original period of affordability in recognition of any additional HOME subsidy assistance provided to the subsequent homebuyer in order to make the unit affordable to them.

Enforcement

The VIHFA will utilize its HOME Programmatic Agreement as the initial mechanism to outline the resale provisions. The HOME Programmatic Agreement, which is executed between the participating jurisdiction and the assisted homebuyer prior to the commitment of HOME funds for the activity, contains language which outlines all the applicable HOME requirements to include the affordability period, the principal residency requirement, the conditions which would trigger the resale provisions, and the resale restrictions. Although the participating jurisdiction does not generally record the HOME Programmatic Agreement, it is a valid legal document which can be recorded, if necessary, and which creates a legal obligation for the VIHFA and the assisted homebuyer.

The VIHFA will utilize mortgage documents as the primary mechanism for enforcement of the resale provisions. At closing, the homebuyer shall execute a mortgage in the amount of the total HOME investment in the property. The mortgage shall outline the resale restrictions and shall create a lien against the property for the duration of the affordability period. The mortgage document shall be recorded upon consummation of the closing transaction. The mortgage will provide an effective mechanism for enforcement of the resale restrictions because, in the event of an impending resale or foreclosure, the title search will reveal the participating jurisdiction's interest in the property and thus, VIHFA will have to be notified of the impending action accordingly. In the case of a proposed sale, the VIHFA will then review the terms of the sale, to include the eligibility of the subsequent buyer as a low-income household, and the sufficiency of the resale price with respect to affordability and provision of a fair return to the homeowner. In the case of an impending foreclosure action, the VIHFA will attempt to work with the lender to negotiate an agreement regarding resale of the unit to an eligible purchaser; if an agreement cannot be reached, then the VIHFA would determine if it will invest additional HOME funds to acquire the unit.

Performance Measurement

VIHFA periodically assesses the success of its affirmative marketing actions. Measures which are used include: the number of "least likely to apply" applicants of the various ethnic groups who have applied; an analysis of the means by which the applicant learned of the Authority's programs; and the number of minority developers and partner organizations participating in the Authority's various initiatives. In the event of any indication of poor performance in any of these areas, the VIHFA will immediately take any corrective actions which may be deemed necessary.

Process for Making Sub-awards

With respect to the FY 2013 ESG funds, the Territory conducted a solicitation for proposals from organizations interested in utilizing ESG funding to carry out eligible activities. The process entailed completion of an application which required the potential subrecipient to provide information about the experience of the organization, the proposed activity, the funding request, the program budget, and the proposed number of program beneficiaries.

Proposed activities to be funded utilizing the FY 2013 ESG allocation are as follows:

Activity: *Emergency Shelter – Operations & Essential Services*

- ***Priority Need:*** Suitable housing facilities for homeless clients with histories of substance abuse/mental health issues; provision of case management services to assist shelter residents access services to begin to regain stability in preparation for transition to permanent housing.
- ***Description (including # and type of persons to be served):*** Funds in the amount of $9,200 will be used to assist with the operational cost of the shelter facility. Additional funds in the amount of $28,910.17 will be used to provide housing coordination and case management services to assist shelter residents access services necessary to regain stability in preparation for entry into transitional or permanent housing. Assistance will be provided to individuals that meet the definition of "homeless". **It is estimated that approximately 58 persons will be assisted with the proposed funding.**
- ***Objective/outcome:*** Suitable Living Environment/Availability/Accessibility
- ***Proposed start and completion dates:*** October 1, 2013 – September 30, 2014
- ***ESG funding amounts:*** **$32,647.40**
- ***Other funding :*** **$8,517.37**
- ***Reason for funding the activity at the proposed amount:*** In recent years, the Territory has seen a marked increase in the number of homeless mentally-ill and substance-abusing adults. The need for suitable housing facilities for homeless clients with histories of substance abuse/mental health issues has been well-documented. As a result of the current economic recession gripping the Territory, the local government has reduced or eliminated allotments for many non-profit social service providers that serve this population. These non-profit providers are also experiencing the loss of many private benefactors (individual and corporate) due to the trickle-down effect of the national recession and the closure of the HOVENSA refinery in 2012. The proposed grant award will allow Virgin Islands Partners in Recovery – a well-established substance abuse treatment provider – to expand the services provided to its clientele.
- ***Performance indicator:*** # of individuals assisted from the streets into emergency shelter and provided with access to essential services
- ***Projected accomplishments:*** Within one year, 100% of clients who have completed 30 days of residential treatment will have received referrals to support services such as medical care, public entitlements, job training/placement and other referrals as well as life skill training that support the ongoing capacity to manage current and future housing opportunities and enable them to move on to permanent housing with no further rental assistance required.

Activity: ***Emergency Shelter – Operations & Essential Services***

- ***Priority Need:*** Suitable housing facilities for homeless clients with histories of substance abuse/mental health issues; provision of case management services to assist shelter residents access services to begin to regain stability in preparation for transition to permanent housing.
- ***Description (including # and type of persons to be served):*** Funds in the amount of $25,000 will be used to assist with the operational cost of the shelter facility and to provide essential services – including counseling - to shelter residents. Assistance will be provided to individuals that meet the definition of "homeless". **It is estimated that approximately 10-16 men who are homeless and victims of substance abuse will be assisted with the proposed funding.**
- ***Objective/outcome:*** Suitable Living Environment/Availability/Accessibility
- ***Proposed start and completion dates:*** October 1, 2013 – September 30, 2014
- ***ESG funding amounts:*** **$25,000.00**
- ***Other funding :*** **$21,840**
- ***Reason for funding the activity at the proposed amount:*** In recent years, the Territory has seen a marked increase in the number of homeless mentally-ill and substance-abusing adults. The need for suitable housing facilities for homeless clients with histories of substance abuse/mental health issues has been well-documented. As a result of the current economic recession gripping the Territory, the local government has reduced or eliminated allotments for many non-profit social service providers that serve this population. These non-profit providers are also experiencing the loss of many private benefactors (individual and corporate) due to the trickle-down effect of the national recession and the recent closure of the HOVENSA refinery. The proposed grant award will allow St. Croix Mission Outreach, Inc. – a well-established service provider agency serving primarily the homeless – to expand the services provided to its clientele.
- ***Performance indicator:*** # of individuals assisted from the streets into emergency shelter and provided with access to essential services
- ***Projected accomplishments:*** Within this year, St. Croix Mission Outreach, Genesis House, will serve 10-16 men who are low to moderate income, homeless, and afflicted with substance abuse. Within one year, the program will assist 85% of the clients to maintain their sobriety and enable them to become self-sufficient. This will be accomplished by providing counseling, assisting with job search and attainment as well as housing search and placement to allow the clients to re-enter society as productive citizens. The remaining 15% of the assisted clients will have made significant progress toward achieving the goals outlined in their individualized plan and will be moving toward self-sufficiency by the end or another six (6) months.

Activity: ***Emergency Shelter – Operations & Essential Services***

- ***Priority Need:*** Suitable housing facilities for homeless clients with histories of substance abuse/mental health issues; provision of case management services to assist shelter residents access services to begin to regain stability in preparation for transition to permanent housing.
- ***Description (including # and type of persons to be served):*** Funds in the amount of $12,000 will be used to assist with the operational cost of the shelter facility and to provide essential services – including counseling - to shelter residents. Assistance will be provided to

individuals that meet the definition of "homeless". **It is estimated that approximately 10 persons will be assisted with the proposed funding.**

- ***Objective/outcome:*** Suitable Living Environment/Availability/Accessibility
- ***Proposed start and completion dates:*** October 1, 2013 – September 30, 2014
- ***ESG funding amounts:*** **$12,000.00**
- ***Other funding :*** **$99,770**
- ***Reason for funding the activity at the proposed amount:*** In recent years, the Territory has seen a marked increase in the number of homeless mentally-ill and substance-abusing adults. The need for suitable housing facilities for homeless clients with histories of substance abuse/mental health issues has been well-documented. As a result of the current economic recession gripping the Territory, the local government has reduced or eliminated allotments for many non-profit social service providers that serve this population. These non-profit providers are also experiencing the loss of many private benefactors (individual and corporate) due to the trickle-down effect of the national recession and the recent closure of the HOVENSA refinery. The proposed grant award will allow Frederiksted Baptist Church, Inc. – a well-established service provider agency serving primarily the homeless – to expand the services provided to the clientele at its Eagle's Nest Mens' Shelter.
- ***Performance indicator:*** # of individuals assisted from the streets into emergency shelter and provided with access to essential services
- ***Projected accomplishments:*** Within a year, it is projected that 40% of the residents at the shelter will have made significant progress toward projected goals for independent living and stabilization. This will be accomplished through mentoring, counseling, and other case management services/activities.

Activity: ***Homelessness Prevention – Tenant-based Financial Assistance***

- ***Priority Need:*** Decent, affordable housing for renters households with incomes under 30% of Area Median Income
- ***Description (including # and type of persons to be served):*** Funds will be used to provide short- and/or medium-term rental assistance necessary to prevent individuals or families from moving into emergency shelters designated to provide temporary living arrangements or from having a primary nighttime residence that is a place that is not designed for or ordinarily used as a regular sleeping accommodation for human beings. Assistance may provided to individuals or families that meet the criteria for "at risk of homelessness" – i.e., losing their primary nighttime residence within 14 days with no subsequent residence identified and lacking the resources or support networks needed to obtain other permanent housing; or fleeing, or attempting to flee, domestic violence with no subsequent residence identified and lacking the resources or support networks needed to obtain other permanent housing. In all cases, the individual or family must have an annual household income below 30% of the area median income. **It is estimated that approximately eight (8) households will be assisted with the proposed funding.**
- ***Objective/outcome:*** Decent housing/affordability
- ***Proposed start and completion dates:*** October 1, 2013 – September 30, 2014
- ***ESG funding amounts:*** **$29,000.00**
- ***Other funding :*** **$0**

- ***Reason for funding the activity at the proposed amount:*** While the Territory acknowledges HUD's position relative to the critical need for rapid re-housing assistance, the VIHFA/CoC planning team believes that the current economic situation of the Territory justifies an emphasis on homelessness prevention for at least the next 18 months. At present, the Territory is experiencing severe economic hardship due to the trickle-down effect of the national recession. The recent closure of the HOVENSA refinery, which along with its various subcontractors forms the largest private employer in the Territory, is expected to have a significant negative impact on the economy – particularly on the island of St. Croix. In addition, the local government (which is another large employer) has also been experiencing a severe financial deficit and has also been downsizing its workforce by laying off employees. The VIHFA anticipates that the economic recession will lead to a significant increase in the number of individuals/households who are at risk of losing their current housing due to loss of employment by the head of household.
- ***Performance indicator:*** # of individuals/households prevented from homelessness
- ***Projected accomplishments:*** Within one year, 80% of the assisted clients will have regained stability in their ESG-assisted housing to the end that no further rental assistance will be required. The remaining 20% of the assisted clients will have made significant progress toward achieving the goals outlined in their individualized housing and service plan (i.e., housing stabilization plan) and, although continuing to receive rental assistance, will be moving toward self-sufficiency by the end of another six months.

Homelessness Prevention – Housing Relocation & Stabilization Services

- ***Priority Need:*** A streamlined system of providing "housing first" to persons who are at-risk of becoming homeless or who are homeless, and to quickly stability their housing while providing necessary supportive services to return them to self-sufficiency. Pursuant to the ESG regulations, certain housing relocation and stabilization services must be provided in accordance with homelessness prevention assistance.
- ***Description (including # and type of persons to be served):*** Funds will be used to pay costs associated with housing search and placement and also assessing, arranging, coordinating, and delivering individualized case management services to facilitate housing stability for program participants. The component services include conducting the initial evaluation of the client to included verifying and documenting eligibility; developing an individualized housing and service plan; coordinating referrals and services and assisting the participant to secure benefits, as appropriate; and monitoring and evaluating the participant's progress toward achieving the milestones of the housing stability plan. Funds may also be used to provide payments on behalf of participants to landlords, utility companies, and other third parties for costs associated with rental application fees, security deposits equal to no more than one month's rent, utility payments electricity and/or potable water. **It is estimated that approximately eight (8) households will be assisted during the cycle.**
- ***Objective/outcome:*** Creating suitable living environments/availability
- ***Proposed start and completion dates:*** October 1, 2013 – September 30, 2014
- ***ESG funding amounts:*** **$5,006.00**
- ***Other funding:*** **$0**

- ***Reason for funding the activity at the proposed amount:*** Pursuant to the ESG program regulations, certain housing relocation and stabilization services must be provided in accordance with homelessness prevention assistance. As such, the VIHFA has sought to estimate the cost of providing the services for the eight (8) households that it projects will be assisted during the current funding cycle. The cost is based on the "fee for service" reimbursement schedule whereby the provider agencies will be compensated for housing search and placement and also housing stability case management services based on specific accomplishments/milestones in providing services to each program participant. In addition, the proposed funding also tries to project the number of participants that will require assistance with rental application fees, security deposits, and/or utility payments and tries to estimate the expenditure for these costs.
- ***Performance indicators:*** # prevented from homelessness; # assisted to regain income and housing stability through successful implementation of their individualized housing and service plan
- ***Projected accomplishments***: Within 3 months of the program start, at least five (5) clients would have had an initial consultation with staff, 20% of those clients would have received housing search and placement assistance while the remaining 80% would have begun receiving housing stability case management services while remaining in place in their original units. By the end of 12 months, all eight (8) clients would have had an initial consultation with the staff, 75% of the assisted clients will have regained stability in their ESG-assisted housing to the end that no further case management or rental assistance will be required. The remaining 25% of the assisted clients will have made significant progress toward achieving the goals outlined in their individualized housing and service plan (i.e., housing stabilization plan) and will be moving toward self-sufficiency by the end of another six months. These clients will be continuing to receive stability case management services on a limited basis.

Activity: ***HMIS***

- ***Priority Need:*** N/A
- ***Description (including # and type of persons to be served):*** Funds will be used to help defray costs associated with contribution of client data to the Homeless Management Information System (HMIS). HMIS is the information system used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness. The funds will be used by the subrecipient to pay a small stipend to the individual that will be tasked with HMIS data entry duties. Participation in the HMIS is required for all entities that utilize federal funds to provide services to program participants.
- ***Objective/outcome:*** N/A
- ***Proposed start and completion dates:*** October 1, 2012 – September 30, 2013
- ***ESG funding amounts:*** $3,720.00
- ***Other funding:*** The proposed sub-grantee organization utilizes various other funding sources (to include federal grants) to pay the salary expense for its employees. The ESG funds will be used to provide a stipend to an individual who will be tasked with HMIS data entry duties.
- ***Reason for funding the activity at the proposed amount:*** Participation in the HMIS is mandatory for organizations that utilize federal funds to provide services or assistance to

homeless clients. The proposed sub-grantee, St. Croix Mission Outreach, Inc., has been selected herein to receive funds to implement the Homeless Prevention activity. During the implementation of the HPRP, some smaller organizations, such as the proposed subrecipient herein, indicated that the HMIS data entry was administratively burdensome and, as such, it would have been helpful to have the resources to facilitate having an individual dedicated to the task – even if on a part-time basis. Thus, in recognition of the additional data entry burden that will be posed by the implementation of the homeless prevention program, the organization is being awarded funds to facilitate employment of an individual dedicated to the HMIS task – even if on a part-time basis – or to offer a stipend to compensate a staffer who will be assigned the extra duties.

- ***Performance indicators*** - # of files entered in HMIS timely as per the standard operating procedures– i.e., if not on the same day of program entry at least by the close of the work week within which service initially provided; "missing data" percentage as reported by the HMIS
- ***Projected accomplishments:*** Marked improvement in the timely entry of client data in HMIS; improved performance relative to data quality and integrity- i.e., lower "missing data percentage" and better data accuracy.

Activity: ***Program Administration***

- ***Priority Need:*** N/A
- ***Description (including # and type of persons to be served):*** N/A
- ***Objective/outcome:*** N/A
- ***Proposed start and completion dates:*** October 1, 2013 – September 30, 2014
- ***ESG funding amounts:*** **$8,705.00**
- ***Other funding:*** Local funds pay the salary expense for the program staff
- ***Reason for funding the activity at the proposed amount:*** In accordance with the expenditure limit for administrative activities as established by the Interim Rule, the total expenditure for administrative activities using both the first and second allocations cannot exceed 7.5% of the total FY 2011 ESG grant. The proposed funding amount ($5,859.80) was calculated using the formula provided for determining the maximum amount that may be used under the second allocation. The cost of administering the ESG program far exceeds the expenditure limit; as such, the VIHFA subsidizes the cost of the program through the contribution of local funds for salaries. In view of the current economic outlook and the reduction in funding provided the VIHFA by the local (Territorial) government, VIHFA will allocate the maximum amount that is allowable.
- ***Performance indicators*** - **N/A**
- ***Projected accomplishments:*** **N/A**